

Robert R. Hager, NV State Bar No. 1482
Treva J. Hearne, NV State Bar No. 4450
HAGER & HEARNE
245 E. Liberty - Suite 110
Reno, Nevada 89501
Tel: (775) 329-5811
Fax: (775) 329-5819

Counsel for Plaintiffs

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

ALETA ROSE GOODWIN, ROBERT PAUL
MCARTOR, LISA CHENEY and DARRIN
CHENEY, HEATHER GABEL,
and FREDRICK TULIP, LINDA R. BARBA,
JOAQUIN AREVALO, DANIEL F. COSLOW,
ROSA M. DIAZ and SERGIO DIAZ, PAMELA
HORTON, VICTOR PARECE, CODY PREMO,
GEORGE W. PREMO, III, TONYA DAWN
MULL, fka TONYA DAWN ROBINSON,
JAMES SANDBORN, CYNTHIA FLAGG and
CHARLES FLAGG, JANICE GANNON,
WILLIAM DAN KLUTTZ, BRIAN E. JONES,
JOAN BLAKE and RONNIE MCKINNEY,
JAMES H. MULLENNIX and JEANNE K.
MULLENNIX, HEATHER MONAHAN and
GEORGE R. MORENO, TRAVIS RAWLINGS
and SYLVIA RAWLINGS, JOHN SULLIVAN
and DEBBIE SULLIVAN, SIGNE STEHMAN,
JOSEPH E. THURSTON and ARLENE
THURSTON, JESUS TOVAR, and JOHN F.
WILBURN and ROSALIE L. WILBURN,
individually and on behalf of a class of similarly
situated individuals,

Plaintiffs,

vs.

EXECUTIVE TRUSTEE SERVICES, LLC;
COUNTRYWIDE HOME LOANS, INC., a New
York corporation; MERSCORP, INC., a Virginia
corporation; MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC., a subsidiary
of MERSCORP, Inc., a Delaware corporation;
RECONTRUST COMPANY, SAXON
MORTGAGE SERVICES, INC., T.D.
SERVICE COMPANY, DEUTSCHE BANK
NATIONAL TRUST COMPANY, OCWEN

Case No.: 3:09-cv-00306-ECR

**SECOND AMENDED
CLASS ACTION COMPLAINT**

- 1. Fraud in the Inducement**
- 2. Unjust Enrichment**
- 3. Wrongful Foreclosure**
- 4. Slander of Title**
- 5. Wrongful Filing of Unlawful
Detainer**
- 6. Conspiracy to Commit Fraud
Related to MERS System**
- 7. Conspiracy to Commit Wrongful
Foreclosure Related to the MERS
System**
- 8. Injunctive Relief**
- 9. Declaratory Relief**

LOAN SERVICING, LLC, WESTERN
 PROGRESSIVE, LLC., AHMSI DEFAULT
 SERVICES, INC., QUALITY LOAN SERVICE
 CORPORATION, NATIONAL DEFAULT
 SERVICING CORPORATION, AZTEC
 FORECLOSURE CORPORATION, BANK OF
 NEW YORK, as successor to J.P. Morgan Chase
 Bank, N.A., as Trustee for BSALTA 2005-1;
 OLD REPUBLIC DEFAULT MANAGEMENT
 SERVICES, a division of Old Republic National
 Title Insurance Company, LITTON LOAN
 SERVICING, L.P.; FEDERAL HOME LOAN
 MORTGAGE CORPORATION, a Virginia
 corporation; FEDERAL NATIONAL
 MORTGAGE ASSOCIATION, a District of
 Columbia corporation; GMAC MORTGAGE,
 L.L.C., a Delaware corporation; NATIONAL
 CITY MORTGAGE, a foreign company and a
 division of NATIONAL CITY BANK, a
 subsidiary of National City Corporation;
 NATIONAL CITY CORPORATION, a
 Delaware corporation and a subsidiary of PNC
 Financial Services, Inc.; NATIONAL CITY
 BANK; PNC FINANCIAL SERVICES, INC., a
 Pennsylvania corporation; J.P. MORGAN
 CHASE BANK, N.A., a New York corporation;
 CITIMORTGAGE, INC., a New York
 corporation; HSBC BANK, U.S.A., HSBC
 MORTGAGE CORPORATION, U.S.A., a
 Delaware corporation; UNITED GUARANTY
 CORPORATION, a foreign corporation;
 WELLS FARGO BANK, N.A., a California
 corporation, dba WELLS FARGO HOME
 EQUITY and dba WELLS FARGO HOME
 MORTGAGE, a division of WELLS FARGO
 BANK, N.A., a California corporation; BANK
 OF AMERICA, N.A., a Delaware corporation,
 GE MONEY BANK, an Ohio corporation;
 WMC MORTGAGE CORP.; IB PROPERTY
 HOLDINGS, L.L.C., and MTC FINANCIAL,
 INC., dba TRUSTEE CORPS.,

Defendants.

Plaintiffs ALETA ROSE GOODWIN, ROBERT PAUL MCARTOR, LISA CHENEY and
 DARRIN CHENEY, and HEATHER GABEL, individually and on behalf of a class of similarly
 situated individuals whose homes have been foreclosed upon and purchased by the defendant

1 banks with the Defendant banks retaining the homes (hereinafter “bank REO Plaintiffs”); and
 2 FREDRICK TULIP, individually and on behalf of a class of similarly situated individuals whose
 3 homes were foreclosed upon and sold to a subsequent purchaser and who now seek damages for
 4 the wrongful foreclosure and loss of their homes; and LINDA BARBA, JOAQUIN AREVALO,
 5 DANIEL F. COSLOW, ROSA M. DIAZ, SERGIO DIAZ, PAMELA HORTON, VICTOR
 6 PARECE, CODY PREMO, GEORGE W. PREMO, III, TONYA DAWN MULL, fka TONYA
 7 DAWN ROBINSON, JAMES SANDBORN, CYNTHIA and CHARLES J. FLAGG, JANICE M.
 8 GANNON, WILLIAM DAN KLUTTZ, BRIAN E. JONES, JOAN BLAKE and RONNIE
 9 MCKINNEY, JAMES H. MULLENNIX and JEANNE K. MULLENNIX, HEATHER
 10 MONAHAN and GEORGE R. MORENO, TRAVIS RAWLINGS and SYLVIA RAWLINGS,
 11 SIGNE STEHMAN, JOHN SULLIVAN and DEBBIE SULLIVAN, JOSEPH E. THURSTON and
 12 ARLENE THURSTON, JESUS TOVAR, JOHN F. WILBURN, and ROSALIE L. WILBURN,
 13 Plaintiffs who seek a temporary restraining order and preliminary injunction against imminent
 14 foreclosure sales of their homes against Defendants, and who seek other relief as alleged herein,
 15 on behalf of themselves and others similarly situated, through their counsel, HAGER & HEARNE,
 16 allege as follows:
 17

18 STATEMENT OF THE CASE

19
 20 This case arises because the Plaintiffs were the victims of unlawful foreclosures because
 21 the Defendants have foreclosed on the Plaintiffs’ homes or threaten in the near future to foreclose
 22 on the homes of the Plaintiffs. These foreclosures were, and are, based upon a deed of trust and
 23 note that are no longer held by the same entity or party and are based upon deeds of trust that were
 24 flawed at the date of origination of the loan because Mortgage Electronic Registration Service
 25 (MERS) or a loan company of MERS was named as the beneficiary or nominee of the lender on

1 the deeds of trust. Further, certain of the Plaintiffs' loans were made in violation of state law. The
2 Defendants have attempted to foreclose and have actually foreclosed when they do not have a
3 lawful right to foreclose.

4 The bank REO Plaintiffs have been subjected to unlawful foreclosure of their primary
5 residences and bring this action for emergency injunctive relief to enjoin the Defendants who
6 purport to have acquired title at foreclosure sales on MERS and/or MERS member Deeds of Trust
7 from transferring the property. Plaintiffs seek damages for the known unlawful foreclosure by
8 Defendants on those Deeds of Trust, which were rendered unsecured as a result of splitting the
9 note from the deed of trust by naming MERS as the "beneficiary." The Plaintiffs who have been
10 wrongfully foreclosed upon and title to whose primary residences is now alleged to be held by a
11 bona fide purchaser seek damages for the knowing unlawful foreclosure of their homes. All of the
12 remainder of the Plaintiffs are at imminent risk of losing their homes because one or more of the
13 Defendants has served upon them notices of foreclosure or notices of default and election to sell,
14 and those Plaintiffs hereby seek emergency injunctive relief and damages. The Plaintiffs bring
15 this action on behalf of themselves and all other persons similarly situated whose homes have been
16 unlawfully foreclosed upon by Defendants on MERS and/or MERS member Deeds of Trust, each
17 such foreclosure having been commenced and advanced in furtherance of the conspiracy pursuant
18 to which every Defendant herein aided and abetted, and/or participated with and/or conspired with
19 the other named Defendants in the wrongful course of conduct or otherwise caused the damages
20 and injuries claimed herein and are responsible in some manner for the acts, occurrences and
21 events alleged in this Complaint.
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25

JURISDICTION

1. This court has jurisdiction pursuant to 28 U.S.C. § 1332 based on diversity of citizenship, as Plaintiffs are residents of the State of Nevada; Defendant Countrywide Home Loans, Inc. is a New York corporation; upon information and belief Defendants Deutsche Bank National Trust Company, Ocwen Loan Servicing LLC, Western Progressive LLC, AHMSI Default Services, Inc., Quality Loan Service Corporation, Aztec Foreclosure Corporation, Bank of New York, and Old Republic Default Management Services, are all foreign corporations, Defendant MERSCORP, Inc. is a Virginia corporation, and its subsidiary, Defendant Mortgage Electronic Registration Systems, Inc. is a Delaware corporation; and Defendants Executive Trustee Services, LLC; Recontrust Company, N.A.; Saxon Mortgage Services, Inc.; T.D. Service Company; National Default Servicing Corporation; Federal Home Loan Mortgage Corporation; Federal National Mortgage Association; GMAC Mortgage, L.L.C.; National City Mortgage; National City Corporation; PNC Financial Services, Inc.; J.P. Morgan Chase Bank, N.A.; CitiMortgage, Inc.; HSBC Bank, U.S.A.; HSBC Mortgage Corporation, U.S.A.; Bank of America, N.A.; United Guaranty Corporation; Wells Fargo Bank, N.A. dba Wells Fargo Home Equity; Wells Fargo Home Mortgage, a division of Wells Fargo Bank, N.A.; GE Money Bank; IB Property Holdings, L.L.C.; and MTC Financial, Inc. dba Trustee Corp. are foreign corporations, and because this matter is a class action with claims having a value in excess of \$5,000,000.00.

2. This Court has pendent jurisdiction over Plaintiffs' state law claims pursuant to 28 U.S.C. § 1367.

3. Venue over this matter is appropriate in this Court pursuant to 28 U.S.C. § 1391(b). The acts complained of occurred, in substantial part, in the State of Nevada, the properties subject to this action are situated in the State of Nevada in the Northern Division of the District of Nevada,

1 the owners of the property reside in Nevada, and, at all relevant times material hereto, the
2 Defendants are or were doing business in Nevada.

3 Parties and Standing

4 4. Plaintiff, Aleta Rose Goodwin, is a resident of Washoe County, Nevada.

5 5. At all times relevant and material hereto, Plaintiff Goodwin maintained Plaintiff's
6 primary residence in Washoe County, Nevada with the legal description of:

7
8 LOT 126 IN BLOCK B OF VILLAGES @ DAMONTE RANCH – UNIT 16A,
9 ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE
10 COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON
11 JULY 23, 2003, AS FILE NO. 2891784, AS TRACT MAP NO. 4241 AND
12 AMENDED BY CERTIFICATE OF AMENDMENT RECORDED MARCH 31,
13 2004, AS DOCUMENT NO. 3015394.
14 APN 140-352-08

15 Plaintiff's primary residence as described above is commonly referred to and located at
16 2281 Rio Lobo Lane, Reno, Nevada 89521.

17 6. Plaintiff Robert Paul McArtor is a resident of Washoe County, Nevada.

18 7. At all times relevant and material hereto, Plaintiff McArtor maintained a primary
19 residence in Washoe County, Nevada with the legal description of:

20
21 LOT 3 IN BLOCK 4 OF WESTERLY ADDITION NO. E TO GREENBRAE
22 TERRACE SUBDIVISION, SPARKS, NEVADA, ACCORDING TO THE MAP
23 THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF
24 WASHOE COUNTY, STATE OF NEVADA, ON FEBRUARY 6, 1958, AS
25 TRACT MAP NO. 577.
APN 027-311-40

Plaintiff's primary residence as described above is commonly referred to and located at
1120 Vance Way, Sparks, Nevada 89431.

8. Plaintiff, Heather Gabel, is a resident of Washoe County, Nevada.

9. At all times relevant and material hereto, Plaintiff Heather Gabel had a primary
residence in Washoe County, Nevada with the legal description of:

1 Lot 1 in Block F of Eagle Canyon II Unit 1, recorded July 17, 2001 as Document
2 No. 2575401, Official Records of Washoe County, Nevada, as Tract Map No.
3 3986
4 APN 530-521-04.

5 Plaintiff's primary residence as described above is commonly referred to and located at
6 1447 Kinglet Dr., Sparks, NV 89441.

7 10. Plaintiff, Fredrick Tulip, is a resident of Douglas County, Nevada.

8 11. At all times relevant and material hereto, Plaintiff Tulip maintained Plaintiff's
9 primary residence in Douglas County, Nevada with the legal description of:

10 LOT 580 OF GARDNERVILLE RANCHOS #6 SUBDIVISION, ACCORDING
11 TO THE MAP THEREOF NO. 66512, FILED IN THE OFFICE OF THE
12 COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA.
13 APN 1220-22-210-162

14 Plaintiff's primary residence as described above is commonly referred to
15 and located at 659 Bowles Lane, Gardnerville, Nevada 89460.

16 12. Plaintiff, Linda R. Barba, is a resident of Lyon County, Nevada.

17 13. At all times relevant and material hereto, Plaintiff Barba maintained Plaintiff's
18 primary residence in Lyon County, Nevada with the legal description of:

19 LOT 33 OF TRUCKEE RIVER RANCH PHASE 2, FILED IN THE OFFICE OF
20 THE COUNTY RECORDER OF LYON COUNTY, NEVADA, ON MARCH 27,
21 2006, AS DOCUMENT NO. 378181, OFFICIAL RECORDS.
22 APN 022-424-10

23 Plaintiff's primary residence as described above is commonly referred to
24 and located at 3010 Beaverhead Lane, Fernley, Nevada 89408.

25 14. Plaintiff, Joaquin Arevalo, is a resident of Washoe County Nevada.

15. At all times relevant and material hereto, Plaintiff Arevalo maintained Plaintiff's
primary residence in Washoe County with the legal description of:

1 LOT 365, OF THE "NORTHSTAR RANCH PHASE 3", ACCORDING TO THE
2 OFFICIAL MAP THEREOF, FILED IN THE OFFICE OF RECORDER OF
3 WASHOE COUNTY, NEVADA, ON JUNE 29, 2005, DOCUMENT
4 NO. 3238752, TRACK MAP NO. 4514.
5 APN 502-582-01

6 Plaintiff's primary residence as described above is commonly referred to and located at
7 8389 Opal Ranch Way, Reno, Nevada 89506.

8 16. Plaintiffs, Lisa Cheney and Darrin Cheney, are residents of Churchill County,
9 Nevada.

10 17. At all times material hereto, Plaintiffs Cheney maintained their primary residence
11 which is legally described as:

12 LOT 6 OF THE LINDA VISTA SUBDIVISION AS DELINEATED ON THE
13 OFFICIAL PLAT THEREOF RECORDED MARCH 14, 1956 IN THE OFFICE
14 OF THE COUNTY RECORDER OF CHURCHILL COUNTY, UNDER
15 DOCUMENT NO. 84335, OFFICIAL RECORDS, CHURCHILL COUNTY,
16 NEVADA
17 APN 10-153-04

18 Plaintiffs' primary residence described above is commonly referred to and located at 2875
19 Phritzie Lane, Fallon, Nevada 89405.

20 18. Plaintiff, Daniel F. Coslow, is a resident of Washoe County, Nevada.

21 19. At all times relevant and material hereto, Plaintiff Coslow maintained Plaintiff's
22 primary resident in Washoe County with the legal description of:

23 All that certain real property situate in a portion of the south one half (S ½) of the
24 southwest one quarter (SW ¼) of the southeast one-quarter (1/4) of section
25 eighteen (18), township twenty (20) north, range twenty (20) east, Mount Diablo
Meridian, Washoe County, Nevada, Being described as follows:

Commencing at the one-quarter corner (1/4) common to sections 18 and 19, as
shown on that certain record of survey map no. 87, file no. 165105 in the bearing
of the Washoe county recorder, said survey being the basis of bearing for this
description;

Thence North 89°28'49" East, 668.68 feet;

Thence North 00°02'39" East, 30.00 feet to the northerly line of Fifth Avenue;

1 Thence along said northerly line north 89°28'49" East 209.61 feet to the point of
beginning;

2 Thence North 27°16'16" West 62.18 feet;

3 Thence North 00°31'11" West 55.00 feet;

4 Thence North 89°28'49" East 31.10 feet;

5 Thence South 88°48'01" East, 122.73 feet;

6 Thence South 00°02'52" West 106.84 feet to the above mentioned northerly line
of Fifth Avenue;

7 Thence, along said northerly line South 89°28'49" West, 124.72 feet to the above
described point of beginning.

8 Reference is hereby made of record to that certain record of survey no. 2413, lot
6, filed April 21, 1992, as document no. 1564308, official records.

9 Note: The above metes and bounds description appeared previously in that
certain document recorded June 16, 1995, in book 4323, page 911, as instrument
no. 1901400.

10 APN 08583025.

11 Plaintiff's primary residence as described above is commonly referred to and located at 165
12 East 5th Ave., Sun Valley, NV 89433.

13 20. Plaintiffs, Rosa M. Diaz and Sergio Diaz, are residents of Washoe County, Nevada.

14 21. At all times relevant and material hereto, Plaintiffs Diaz maintained Plaintiffs'
15 primary resident in Washoe County with the legal description of:

16 Lot 8-38 as shown on the Map of the Foothills at Wingfield Village, 8A, Tract
17 Map 4507, filed in the office of the County Recorder of Washoe County, State of
18 Nevada on June 27, 2005 as File No. 3236769 of Official Records
APN 526-281-02

19 Plaintiffs' primary residence as described above is commonly referred to and located at
20 7186 Truth Drive, Sparks, NV 89436.

21 22. Plaintiff, Pamela Horton, is a resident of Douglas County, Nevada.

22 23. At all times relevant and material hereto, Plaintiff Horton maintained Plaintiff's
23 primary resident in Douglas County with the legal description of:

1 BEING A PORTION OF THE NORTH ONE-HALF OF SECTION 12,
2 TOWNSHIP 12 NORTH, RANGE 20 EAST. M.D.B. & M., FURTHER
DESCRIBED AS FOLLOWS:

3 LOT 25 IN BLOCK F, AS SET FORTH ON THE FINAL SUBDIVISION MAP
4 2DA# #01-083 FOR PINON RIDGE, FILED FOR RECORD IN THE OFFICE
OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF
5 NEVADA ON SETPEMBER 15, 2003 IN BOOK 0903, PAGE 7332 AS
DOCUMENT NO. 589938.
6 APN 1220-12-610-010

7 Plaintiff's primary residence as described above is commonly referred to and located at
8 1112 Cortez Lane, Gardnerville, NV 89410.

9 24. Plaintiff, Victor Parece, is a resident of Washoe County, Nevada.

10 25. At all times relevant and material hereto, Plaintiff Parece maintained Plaintiff's
11 primary residence in Washoe County with the legal description of:

12 LOT 8 OF GEMSTONE SUBDIVISION, ACCORDING TO THE MAP
13 THEREOF NO. 3578, FILED IN THE OFFICE OF THE COUNTY RECORDER
OF WASHOE COUNTY, STATE OF NEVADA, ON JULY 22, 1998, AS FILE
14 NO. 2233866 OF OFFICIAL RECORDS.
APN 504-742-16

15 Plaintiff's primary residence as described above is commonly referred to and located at 199
16 Alexandrite Ct., Sun Valley, Nevada 89433.

17 26. Plaintiffs, Cody Premo and George W. Premo, III, are residents of Washoe County,
18 Nevada.

19 27. At all times relevant and material hereto, Plaintiffs Premo maintained Plaintiffs'
20 primary residence in Washoe County with the legal description of:

21 Lot 19 of DESERT HIGHLANDS UNIT 4D, as according to the map thereof,
22 filed in the office of the County Recorder of Washoe County, State of Nevada, on
23 October 22, 1999, under Filing No. 2391483, and as Tract Map No. 3767.
APN 514-331-03

1 Plaintiffs' primary residence as described above is commonly referred to and located at
2 3971 Burlington Dr., Sparks, Nevada 89436-7606.

3 28. Plaintiff, Tonya Dawn Mull, fka Tonya Dawn Robinson, is a resident of Washoe
4 County, Nevada.

5 29. At all times relevant and material hereto, Plaintiff Mull maintained Plaintiff's
6 primary residence in Washoe County with the legal description of:

7 All that certain real property situate in the City of Sparks, County of Washoe, State of
8 Nevada, described as follows:

9
10 Lot 309, in Block B of the PAGNI RANCH-UNIT THREE, according to the map
11 thereof, filed in the office of the County Recorder of Washoe County, State of
12 Nevada, on September 17, 1993, as File No. 1713113, and Tract Map No. 2974.
APN 030-631-09.

13 Plaintiff's primary residence as described above is commonly referred to and located at 985
14 Country Ridge Drive, Sparks, NV 89434.

15 30. Plaintiff, James Sandborn, is a resident of Washoe County, Nevada.

16 31. At all times relevant and material hereto, Plaintiff Sandborn maintained Plaintiff's
17 primary residence in Washoe County with the legal description of:

18 The land referred to herein is situated in the State of Nevada, County of Washoe, City of
19 Reno, and is described as follows:

20 LOT 123, AS SHOWN ON THE OFFICIAL MAP OF "THE CREST AT
21 STONEFIELD PHASE 1 UNIT 3", FILED IN THE OFFICE OF THE
22 RECORDER OF WASHOE COUNTY, NEVADA, ON SEPTEMBER 6, 2005
AS FILE NO. 3272788, TRACT MAP NO. 4540.
23 APN 080-891-03

24 Plaintiff's primary residence as described above is commonly referred to and located at
25 8911 Finnsech Drive, Reno, Nevada 89506.

1 32. Plaintiffs, Cynthia and Charles Flagg, are residents of Washoe County, Nevada.

2 33. At all times relevant and material hereto, Plaintiffs Flagg maintained Plaintiffs'
3 primary residence in Washoe County, Nevada with the legal description of:

4 LOT 31, OF THE OFFICIAL PLAT OF DESERT HIGHLANDS UNIT 3, A
5 PLANNED DEVELOPMENT, ACCORDING TO THE MAP THEREOF, FILED
6 IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY,
7 STATE OF NEVADA ON APRIL 17, 1998, AS FILE NO. 2201028, AS TRACT
8 MAP NO. 3520, OFFICIAL RECORDS.
9 APN 514-300-33

10 Plaintiffs' primary residence as described above is commonly referred to and located at
11 2278 Desert Cove Ct., Sparks, Nevada 89436.

12 34. Plaintiff, Janice Gannon, is a resident of Washoe County, Nevada.

13 35. At all times relevant and material hereto, Plaintiff Gannon maintained Plaintiff's
14 primary residence in Washoe County, Nevada with the legal description of:

15 LOT 32 IN BLOCK H OF TWIN LAKE ESTATES NO.1, ACCORDING TO
16 THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY
17 RECORDER OF WASHOE COUNTY, STATE OF NEVADA ON FEBRUARY
18 28, 1966 UNDER FILE NO. 53836, AND TRACT MAP NO. 993.
19 APN 023-171-09

20 Plaintiff's primary residence as described above is commonly referred to and located at
21 3965 Skyline Blvd., Reno, Nevada 89509.

22 36. Plaintiff, William Dan Kluttz, is a resident of Washoe County, Nevada.

23 37. At all times relevant and material hereto, Plaintiff Kluttz maintained Plaintiff's
24 primary residence in Washoe County, Nevada with the legal description of:

25 LOT 23, AS SHOWN ON THE OFFICIAL MAP OF "EAGLE CANYON IV –
UNIT 1". FILED IN THE OFFICE OF THE RECORDER OF WASHOE
COUNTY, NEVADA, ON MAY 24, 2005 AS FILE NO. 3218680, TRACT MAP
NO. 4485.
APN 532-052-01

1 Plaintiff's primary residence as described above is commonly referred to and located at
2 1263 Bellatrix Way, Sparks, Nevada 89441.

3 38. Plaintiffs, Joan Blake and Ronnie McKinney, are residents of Washoe County,
4 Nevada.

5
6 39. At all times relevant and material hereto, Plaintiffs Blake and McKinney
7 maintained Plaintiffs' primary residence in Washoe County, Nevada with the legal description of:

8 LOT 14 OF EAGLE CANYON III-UNIT 1A, RECORDED FEBRUARY 12,
9 2002, OFFICIAL RECORDS, WASHOE COUNTY, NEVADA, AS
10 DOCUMENT NO. 2651511, TRACT MAP NO. 4051.
11 APN 530-643-01.

12 Plaintiffs' primary residence described above is commonly referred to and located at 2283
13 Ruddy Way, Sparks, Nevada 89436.

14 40. Plaintiffs, James H. Mullennix and Jeanne K. Mullennix, are residents of Washoe
15 County, Nevada.

16 41. At all times relevant and material hereto, Plaintiffs Mullennix maintained Plaintiffs'
17 mother (in-law)'s primary residence in Washoe County, Nevada with the legal description of:

18 LOT 464 EAGLE CANYON III – UNIT 5, ACCORDING TO THE MAP
19 THEREOF, FILED JULY 28, 2004, AS DOCUMENT NO. 3075229 IN THE
20 OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF
21 NEVADA, AS SUBDIVISION TRACT MAP NO. 4370, OFFICIAL RECORDS.

22 Plaintiffs' mother (in-law)'s primary residence as described above is commonly referred to
23 and located at 2235 Lenticular Drive, Sparks, Nevada.

24 42. At all times material hereto, Plaintiffs Mullennix maintained their primary
25 residence with the legal description of:

LOT 23 OF BLOCK X, OF EAGLE CANYON SUBDIVISION-UNIT 4, A
COMMON INTEREST COMMUNITY, ACCORDING TO THE MAP
THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF

1 WASHOE COUNTY, STATE OF NEVADA, ON JUNE 30, 1999, AS FILE NO.
2 2357336, AND TRACT MAP NO. 3720.
3 APN: 530-444-12

4 The Mullennix residence as described above is commonly referred to and located at 40
5 White Dove Court, Sparks, Nevada.

6 43. Plaintiffs, Heather Monahan and George R. Moreno, are residents of Washoe
7 County, Nevada.

8 44. At all times relevant and material hereto, Plaintiffs Monahan and Moreno
9 maintained Plaintiffs' primary residence in Washoe County, Nevada with the legal description of:

10 ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF
11 SPARKS, COUNTY OF WASHOE, STATE OF NEVADA, DESCRIBED AS
12 FOLLOWS:

13 LOT 25 OF SKY RIDGE UNIT 1 A PLANNED DEVELOPMENT,
14 ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE
15 COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON
16 DECEMBER 30, 2003, AS FILE NO. 2974976, TRACT MAP NO. 4287.
17 APN 514-531-03

18 Plaintiffs' primary residence as described above is commonly referred to and located at
19 1743 Cloud Peak Drive, Sparks, Nevada 89436.

20 45. Plaintiffs, Travis and Sylvia Rawlings, are residents of Washoe County, Nevada.

21 46. At all times relevant and material hereto, Plaintiffs Rawlings maintained Plaintiffs'
22 primary residence in Washoe County, Nevada with the legal description of:

23 Lot 206, of VILLAGES AT DAMONTE RANCH-UNIT 18B, according to a map
24 thereof, filed in the Office of the County Recorder of Washoe County, State of
25 Nevada, on July 14, 2004 as File No. 3067751, also being Subdivision Tract Map
4368.

Plaintiffs' primary residence as described above is commonly referred to and located at
2330 Copper Springs Drive, Reno, Nevada 89521.

47. Plaintiffs, John and Debbie Sullivan, are residents of Carson City County, Nevada.

1 48. At all times relevant and material hereto, Plaintiffs Sullivan maintained Plaintiffs'
2 primary residence in Carson City County, Nevada with the legal description of:

3 PARCEL A OF PARCEL MAP NO. 737 FOR ROBERT L. AND CATHY V.
4 WEISE, FILED IN THE OFFICE OF THE CARSON CITY RECORDER,
5 STATE OF NEVADA, ON APRIL 24, 1979 AS FILE NO. 87388.
6 APN NO. 007-164-04

7 Plaintiffs' primary residence as described above is commonly referred to and located at
8 3799 Meadow Wood Road, Carson City, Nevada 89703.

9 49. Signe Stehman is a resident of Washoe County, Nevada.

10 50. At all times relevant and material hereto, Plaintiff Signe Stehman maintained
11 Plaintiff's primary residence in Washoe County, Nevada with the legal description of:

12 All that certain real property situate in the County of Washoe, State of Nevada,
13 described as follows:

14 Lot 22 in Block 8 according to the map of "SKY RANCH UNIT NO. I-A",
15 Subdivision-Tract Map No. 1891 filed in the office of the County Recorder of
16 Washoe County, Nevada, on October 16, 1979, File No. 636073.
17 APN 534-064-23

18 Plaintiff's primary residence described above is commonly referred to and located at 335
19 Leo Drive, Sparks, Nevada 89436.

20 51. Plaintiffs, Joseph E. Thurston and Arlene D. Thurston, are residents of Douglas
21 County, Nevada.

22 52. At all times relevant and material hereto, Plaintiffs Thurston maintained Plaintiffs'
23 primary residence in Douglas County, Nevada with the legal description of:

24 LOT: 126 BLK: G SUBD: SARATOGA SPRINGS EST #5 SEC/TWN/RNG/
25 MER: SEC 28 TWN 14N RNG 20E MAP REF 492337
 APN 1420-28-311

1 Plaintiffs' primary residence as described above is commonly referred to and located at
2 2830 La Cresta Cr., Minden, Nevada 89423.

3 53. Plaintiff, Jesus Tovar, is a resident of Washoe County, Nevada.

4 54. At all times relevant and material hereto, Plaintiff Tovar maintained Plaintiff's
5 primary residence in Washoe County, Nevada with the legal description of:

6 LOT 13 OF DONNER SPRINGS SUBDIVISION UNIT NO. 2-B, ACCORDING
7 TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY
8 RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON JUNE 8,
9 1976, AS DOCUMENT NO. 411672, AND AS TRACT MAP NO. 1578.
APN 021-244-26

10 Plaintiff's primary residence as described above is commonly referred to and located at
11 4240 Mira Loma Drive, Reno, Nevada 89502.

12 55. Plaintiffs, John F. Wilburn and Rosalie L. Wilburn, are residents of Washoe
13 County, Nevada.

14 56. At all times relevant and material hereto, Plaintiffs Wilburn maintained Plaintiffs'
15 primary residence in Washoe County, Nevada with the legal description of:

16 ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE COUNTY OF
17 WASHOE, STATE OF NEVADA, DESCRIBED AS FOLLOWS:
18 LOT 4 IN BLOCK A, OF VISTA HEIGHTS NORTH PHASE 1, ACCORDING
19 TO THE MAP THEROF, FILED IN THE OFFICE OF THE COUNTY
20 RECORDER OF WASHOE COUNTY, NEVADA, ON NOVEMBER 24, 1992,
AS DOCUMENT NO. 1625322 AND AS TRACT MAP NO. 2903.
APN 518-123-02.

21 Plaintiffs' primary residence as described above is commonly referred to and located at
22 2165 stone View Dr., Sparks, Nevada 89436.

23 57. Plaintiff, Brian E. Jones, is a resident of Washoe County, Nevada.

24 58. At all times relevant and material hereto, Plaintiff Jones maintained Plaintiff's
25 primary residence in Washoe County, Nevada with the legal description of:

1 LOT 20 OF NORTHERN LIGHTS SUBDIVISION – UNIT 6, ACCORDING TO
2 THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY
3 RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON JUNE 8,
4 2004, UNDER FILING NO. 3050030, AND AS TRACT MAP NO. 4351,
5 OFFICIAL RECORDS.
6 APN 502-341-11

7 Plaintiff's primary residence as described above is commonly referred to and located at
8 5088 Coggins Rd. Reno, Nevada 89506.

9 59. Upon information and belief, Defendant Executive Trustee Services, LLC
10 (hereinafter "ETS") is a wholly owned subsidiary of GMAC and is a foreign limited liability
11 corporation authorized to do business in, and doing business in, Washoe County, Nevada, and at
12 all times material hereto was a member of the MERS system described herein and a shareholder in
13 MERS.

14 60. Upon information and belief, Defendant MERSCORP, INC. was a Virginia
15 corporation and doing business in the State of Nevada through its division or subsidiary,
16 Defendant Mortgage Electronic Registration Systems, Inc. ("MERS, Inc."), a Delaware
17 corporation. Upon information and belief, MERSCORP, INC., was a director of MERS, INC.
18 Defendants MERSCORP, INC., and MERS, Inc. are hereinafter collectively referred to as
19 "MERS."

20 61. Upon information and belief, Recontrust Company is a foreign corporation not
21 registered to do business in the State of Nevada, but is the company that forecloses for
22 Countrywide Home Loans, Inc., and Defendant Recontrust is a wholly owned subsidiary of
23 Defendant Countrywide Home Loans, Inc.

24 62. Upon information and belief, Saxon Mortgage Services, Inc., is a foreign
25 corporation registered to do business in the State of Nevada, and, upon information and belief, is a
member of the MERS system described herein.

1 63. Upon information and belief, T.D. Service Company is a foreign corporation
2 registered to do business in the State of Nevada, is an Arizona corporation and “a preferred
3 provider for MERS” and is a member of the MERS system described herein.

4 64. Upon information and belief, Deutsche Bank National Trust Company is a
5 corporation registered to do business in the State of Nevada, and is a member of the MERS system
6 described herein.

7 65. Upon information and belief, Ocwen Loan Servicing, LLC is a foreign limited
8 liability company registered to do business in the State of Nevada and a member of the MERS
9 system described herein.

10 66. Upon information and belief, Western Progressive LLC is a foreign limited liability
11 company registered to do business in the State of Nevada.

12 67. Upon information and belief, AHMSI Default Services, Inc., is a foreign
13 corporation registered to do business in the State of Nevada.

14 68. Upon information and belief, Quality Loan Service Corporation is a foreign
15 corporation registered to do business in the State of Nevada.

16 69. Upon information and belief, WMC Mortgage Corporation is a foreign corporation
17 no longer active, but at all times material hereto, was a member of the MERS system described
18 herein.

19 70. Upon information and belief, Litton Loan Servicing, L.P. is a foreign limited
20 Partnership and is a member of the MERS system described herein.

21 71. Upon information and belief, Defendant Federal Home Loan Mortgage Corporation
22 (hereinafter referred to as “Freddie Mac”) is a Virginia corporation doing business in Nevada, and
23 is a creator, originator, and principle shareholder in MERSCORP, INC. Upon information and
24
25

1 belief, Freddie Mac has, through its agents and employees, a chartered seat on the MERSCORP,
2 INC. and/or MERS, Inc. board of directors.

3 72. Upon information and belief, Defendant Federal National Mortgage Association
4 (hereinafter referred to as “Fannie Mae”) is a District of Columbia corporation doing business in
5 Nevada and, at all times material hereto, is, a creator, originator, and shareholder of MERSCORP,
6 INC. and a member of the MERS system described herein. Upon information and belief,
7 Defendant Fannie Mae has, through its agents and employees, a chartered seat on the
8 MERSCORP, INC. and/or MERS, Inc. board of directors.

9
10 73. Upon information and belief, Defendant GMAC Mortgage, L.L.C. was a Delaware
11 corporation doing business in Nevada and, at all times material hereto, was a member of the
12 MERS system described herein. Upon information and belief, Defendant GMAC Mortgage,
13 L.L.C., through its affiliate or subsidiary, GMAC Residential Funding Corp., was a creator,
14 originator, and shareholder in MERSCORP, INC., and through its employees or agents employed
15 by its division, affiliate or subsidiary, GMAC Residential Holding Corp., has a chartered seat on
16 the MERSCORP, INC. and/or MERS, Inc. board of directors.

17
18 74. Upon information and belief, PNC Financial Services Group, Inc., (hereinafter
19 “PNC”) is a Pennsylvania corporation and the parent company of National City Corporation, Inc.,
20 pursuant to a merger consummated in or around December 31, 2008. Upon information and belief,
21 PNC is or was a member of the MERS system described herein.

22 75. Upon information and belief, National City Corporation, (hereinafter “National
23 City Corp.”) is a Delaware corporation wholly owned by PNC pursuant to a merger consummated
24 in or around December 31, 2008, and is or was a member of the MERS system described herein.
25

1 76. Upon information and belief, National City Bank (hereinafter “National City
2 Bank”), is an Ohio corporation wholly owned by PNC pursuant to a merger consummated in or
3 around December 31, 2008, and is or was a member of the MERS system described herein.

4 77. Upon information and belief, Defendant National City Mortgage, a division of
5 National City Bank, was a foreign company doing business in Nevada, and, at all times material
6 hereto was a member of the MERS system described herein. Upon information and belief,
7 Defendant National City Mortgage, through its agents and employees, has a chartered seat on the
8 MERSCORP, INC. and/or MERS, Inc. board of directors.

9
10 78. Upon information and belief, Defendant J.P. Morgan Chase Bank, N.A. was a New
11 York corporation doing business in Nevada and, at all times material hereto, was a member in the
12 MERS system described herein. Upon information and belief, J.P. Morgan Chase Bank, N.A.,
13 through its division, affiliate or subsidiary, Chase Home Mortgage Corporation of the Southeast,
14 was a creator, originator, and shareholder in MERS, and through its employees or agents
15 employed by its affiliate, J.P. Morgan Chase Co., has a chartered seat on the MERSCORP, INC.
16 and/or MERS, Inc. board of directors.

17
18 79. Upon information and belief, Defendant CitiMortgage, Inc., was a New York
19 corporation doing business in Nevada and, at all times material hereto, was a member in the
20 MERS system described herein and a principal shareholder of MERSCORP, INC.

21 80. Upon information and belief, Defendant HSBC Bank, U.S.A. was a Delaware
22 corporation and, at all times material hereto, was a member of the MERS system described herein.

23 81. Upon information and belief, HSBC Mortgage Corporation, through its affiliate or
24 subsidiary HSBC Finance Corp., was a Delaware corporation, and, at all times material hereto,
25 was a creator, originator, and principal shareholder of MERSCORP, INC.

1 82. Upon information and belief, Defendant Wells Fargo Bank, N.A. was a California
2 corporation doing business in Nevada as Wells Fargo Home Equity and as Wells Fargo Home
3 Mortgage, a Division of Wells Fargo Bank, N.A., and, at all times material hereto, was a member
4 of the MERS system described herein and a creator, originator, and shareholder of MERSCORP,
5 INC.

6 83. Upon information and belief, Defendant Bank of America, N.A. was a foreign
7 corporation doing business in Nevada, and was a successor in interest to Countrywide Home
8 Loans, Inc. and/or acquired Countrywide Home Loans, Inc., and its affiliates and subsidiaries, for
9 the purpose of funding and/or managing the ongoing business activities of Countrywide Home
10 Loans, Inc. Upon information and belief, Defendant Bank of America, N.A., at all times material
11 hereto, was a member of the MERS system described herein.

12 84. Upon information and belief, Defendant United Guaranty Corporation was a
13 foreign corporation and, at all times material hereto, a creator, originator, and shareholder of
14 MERSCORP, INC. and/or a member of the MERS system described herein. Upon information
15 and belief AIG United Guaranty Corporation has, through its agents and employees, a chartered
16 seat on the MERSCORP, INC. and/or MERS, Inc. board of directors.

17 85. Upon information and belief, Defendant Countrywide Home Loans, Inc.
18 (“Countrywide”) was a New York corporation authorized to do business in and doing business in
19 Nevada and at all times material hereto was a member of the MERS system described herein and a
20 shareholder in MERSCORP, INC. and is now wholly owned by Bank of America.

21 86. Upon information and belief, Defendant GE Money Bank was an Ohio corporation
22 and was a member of the MERS system described herein.

1 87. Upon information and belief, Defendant National Default Servicing Corporation is
2 a foreign corporation located in Phoenix, Arizona.

3 88. Upon information and belief, Defendants Bank of New York, as successor to J.P.
4 Morgan Chase Bank, N.A., as Trustee for BSALTA 2005-1 and IB Property Holdings, L.L.C. are
5 foreign corporations doing business in Nevada.

6 89. Upon information and belief, Defendant Old Republic Default Management
7 Services, a division of Old Republic National Title Insurance Company is a foreign company
8 doing business in Nevada.

9 90. Upon information and belief, Defendant IB Property Holdings, LLC, is a foreign
10 company doing business in Nevada.

11 91. Upon information and belief, Defendant MTC Financial, dba Trustee Corps. is a
12 foreign company doing business in Nevada.

13
14 **GENERAL ALLEGATIONS**
15 **(as to all Plaintiffs)**

16 92. In the United States, home purchases are typically financed by mortgages or loans
17 that are secured by a deed of trust and a note which, when executed on behalf of the same entity
18 and held by the same entity as a “note and deed of trust,” entitle the holder of the note and deed of
19 trust to foreclose on the property of the borrower if the borrower is in default without legal excuse
20 or recourse.

21 93. Estimates by consumer agencies forecasted that as many as 2.2 million of the nearly
22 70 million homeowners in the U.S. were at risk of defaulting beginning in 2008, while a reported 3
23 million foreclosures occurred in the U.S. in 2008. Upon information and belief, foreclosures to
24 date during calendar year 2009 are at a higher rate than that which occurred during 2008.
25

94. From 2003 through 2007, the Defendants entered into mortgages with deeds of trust and notes that were separated after the execution of the mortgage, the note was sold to an investor who literally and actually provided the funds for funding the loan given to the borrower. Prior to or immediately after the contract was signed by the borrower, the note was funded by a party other than the originator or servicer of the loan.

95. The Mortgage Electronic Registration Service was created by the Defendants identified herein as co-conspirators in relation to the MERS system with the specific intent that MERS would be named the beneficiary as the nominee of the lender on the deeds of trust wherein a company which was acting as a MERS member named as beneficiary for the same purpose of not holding a beneficial interest, which Plaintiffs were induced into signing.

96. The foreclosures were initiated against the Plaintiffs by parties with no standing to commence or maintain any foreclosure proceeding and who were strangers to the purported loan transactions and which parties were and are unknown to the Plaintiffs and, moreover, did not fund the loans of the Plaintiffs and are not owed any of the funds to be repaid by the Plaintiffs.

97. The foreclosures on Plaintiffs' homes complained of herein were initiated by Defendants who had and have no lawful right to initiate, advance or maintain any foreclosure action against the Plaintiffs or their homes.

98. All Defendants participated in a conspiracy to cause the Plaintiffs to enter into instruments that would result in the foreclosure of their homes, to initiate foreclosure on the Plaintiffs' homes without the lawful right to do so; and Defendants have been unjustly enriched by the payments of the Plaintiffs on the notes.

99. The lenders and investors in mortgage-backed securities, including some of the Defendants, have sought bail out money from the United States Government.

1 100. The lenders and investors in mortgage backed securities, including some of the
2 Defendants, have used those funds to repay investors who funded the loans of the Plaintiffs, thus
3 having no liability for the notes and no right to collect on the notes and no right to initiate
4 foreclosures on the Plaintiffs' homes.

5 **(Facts as to Plaintiffs Goodwin, McArtor, Cheney and Gabel)**

6 101. Plaintiffs Goodwin, McArtor, Cheney and Gabel have deeds of trust that state that
7 the beneficiary or/ beneficiary as the nominee of the lender is MERS as described herein.

8 102. Aleta Goodwin executed a Deed of Trust dated November 29, 2006 in the amount
9 of \$254,400.00 related to the purchase of her residence at 2281 Rio Lobo Lane, Reno, Nevada
10 which listed American Home Mortgage as Lender and which listed MERS as beneficiary. Ticor
11 Title of Nevada was listed as the Trustee and American Home Mortgage was the original servicer.
12 The Deed of Trust was supplemented by an Adjustable Rate Rider that provided that the interest
13 rate on the underlying note would not be greater than 9.875% or less than 6.875% on the first
14 change date, and would never be more than 12.875% or less than 6.875% thereafter. An interest-
15 only addendum to the Adjustable Rate Rider provided that the initial monthly payment on the note
16 was \$1,457.50 beginning January 1, 2007 (interest only), with the first payment of principal and
17 interest becoming due on January 1, 2012, and with all amounts under the note due on
18 December 1, 2036. The note was subject to a prepayment penalty.

19 103. Aleta Goodwin's primary residence was also encumbered by a second Deed of
20 Trust dated November 28, 2006 in the amount of \$63,600.00 in favor of American Home
21 Mortgage as Lender and which listed MERS as beneficiary. The Deed of Trust allegedly secured
22 a Note which contained a prepayment penalty. Ticor Title of Nevada, Inc. was listed as the
23 Trustee and American Home Mortgage was the original servicer.

1 104. Ms. Goodwin obtained preapproval for the loans ultimately originated by American
2 Home Mortgage over the telephone, and the mortgage broker acting as an agent for American
3 Home Mortgage provided no explanation that the payments to be due under the notes were subject
4 to adjustment or that the loans were subject to any prepayment penalty.

5 105. Aztec Foreclosure Corporation recorded a Notice of Default and Election to Sell
6 Under Deed of Trust against the Goodwin residence on December 26, 2008. On or about May 18,
7 2009, Aztec Foreclosure Corporation, as Trustee, issued a Trustee's Deed Upon Sale to HSBC
8 Bank, U.S.A., N.A., as Indenture Trustee for the Registered Note Holders of Renaissance Home
9 Equity Loan Trust 2008-1 ("HSBC") following a public auction where HSBC purchased the
10 property for \$203,670.00.
11

12 106. On or about May 29, 2009 HSBC issued a Three-Day Notice to Quit to Ms.
13 Goodwin.

14 107. Robert McArtor executed a Deed of Trust dated October 18, 2004 in the amount of
15 \$184,000.00 for the purpose of refinancing the residence located at 1120 Vance Way, Sparks,
16 Nevada which listed GreenPoint Mortgage Funding, Inc. as Lender and which listed MERS as
17 beneficiary. Marin Conveyancing Corp. was listed as the Trustee and GreenPoint Mortgage
18 Funding, Inc. was the original servicer. The Deed of Trust was supplemented by an Adjustable
19 Rate Rider which related to an adjustable rate note providing for initial monthly payments of
20 \$958.34 beginning December 1, 2004, which were subject to change beginning on November 1,
21 2007 by adding 2.75% to the six-month LIBOR index.
22

23 108. On or about March 31, 2009, Old Republic Default Management Services, a
24 Division of Old Republic National Title Insurance Company, recorded a Trustee's Deed Upon Sale
25 against the McArtor residence. The Trustee's Deed reflects a conveyance of the McArtor

1 residence to the Bank of New York as successor to JP Morgan Chase Bank, N.A. as Trustee for
2 BSALTA 2005-1 ("Bank of NY") pursuant to Bank of NY having purchased the property for
3 \$129,600.00 at a trustee's sale on January 15, 2009.

4 109. Lisa Cheney and Darrin Cheney entered a Deed of Trust dated November 30, 2006
5 related to refinancing the Cheney residence located at 2875 Phritzie Lane, Fallon, Nevada in the
6 amount of \$140,000.00 which listed At Home Capital as Lender and which listed MERS as the
7 beneficiary. TCI-Title and Closing, Inc. was listed as the Trustee and At Home Capital was the
8 original servicer. The Deed of Trust was supplemented by an Adjustable Rate Rider that provided
9 for an initial interest rate of 11.99%. The rider further provided for interest only payments for the
10 first sixty payments due under the note and initial monthly payments beginning January 1, 2007.
11 The interest rate was subject to change on December 1, 2008 and every six months thereafter
12 based on adding 6.5% to the six-month LIBOR index. Upon information and belief, the note
13 provided for negative amortization. The Deed of Trust was also supplemented by a Prepayment
14 Rider that provided for a prepayment penalty. Plaintiffs Cheney attempted, unsuccessfully, to
15 modify their loan in 2007.
16

17 110. On October 27, 2008, Seaside Trustee, Inc., acting as trustee, recorded with the
18 Churchill County Recorder a Trustee's Deed Upon Sale related to the Cheney residence which
19 indicated that the property had been sold at a trustee's sale to I.B. Property Holdings, L.L.C., a
20 Delaware Limited Liability Company, for \$106,250.00 at a Trustee's Sale, notice of which had
21 been previously recorded with the Churchill County Recorder on September 12, 2008 scheduling
22 the sale for October 3, 2008.
23

24 111. The Cheneys expect to receive a Notice to Quit the premises as a result of the sale.

25 112. Heather Gabel's primary residence is located at 1447 Kinglet Drive.

1 113. On July 10, 2007, Heather Gabel entered a Deed of Trust for the purpose of
2 refinancing the Gabel residence located at 1447 Kinglet Drive, Sparks, Nevada in the amount of
3 \$263,250.00 which listed First National Bank of Arizona as Lender and which listed MERS as the
4 beneficiary. Western Title Company was listed as the Trustee and First National Bank of Arizona
5 was the original servicer.

6 114. On or about January 9, 2009, Heather Gabel retained a consultant to assist her in
7 modifying her loan on the Kinglet Drive residence with Defendant Quality Loan Service Corp.
8

9 115. Heather Gabel also owned property located at 1862 Central Court, Sparks, Nevada,
10 but when her husband lost his employment as a contractor in the plumbing business, they allowed
11 the home to go in to foreclosure. The home at 1862 Central Court was encumbered by a Deed of
12 Trust in the amount of \$245,250.00 in favor of First National Bank of Arizona as Lender.

13 116. A Trustee's Deed upon Sale for the property located at 1862 Central Court in
14 Sparks, Nevada on was recorded on February 20, 2009, showing the property was sold by Quality
15 Loan Service Corp. to Saxon Mortgage Services, Inc. on February 12, 2009 for \$260,618.76.
16 Saxon Mortgage Services, Inc. was the foreclosing beneficiary.

17 117. On April 21, 2009, Heather Gabel was served with a notice to quit the premises at
18 1447 Kinglet Drive based upon the sale of the home at 1862 Central Court. The notice was issued
19 on behalf of Saxon Mortgage Services, Inc.
20

21 118. The originators of the loans to the Plaintiffs did not ascertain prior to loaning the
22 funds for the mortgages of the Plaintiffs whether or not the Plaintiffs qualified for the loans.

23 119. The homes of Goodwin, McArtor, and Cheney have already been subjected to
24 foreclosure by Defendants based upon the MERS deeds of trust.
25

1 120. The homes of Plaintiffs Goodwin, McArtor, and Cheney have been conveyed to the
2 banks that acted as servicers for the payments allegedly for the mortgages or the homes have been
3 conveyed to parties stating that they are the trustee for the beneficial owners of the deeds of trust,
4 but none of those entities that claim to have title to the homes of these Plaintiffs are MERS or the
5 nominee of the lender on the deeds of trust or a proper beneficiary under the deeds of trust.

6 121. None of the parties acting as a trustee, including, but not limited to, Defendants
7 Quality Loan Service Corporation, Aztec Foreclosure Corporation, and Old Republic Default
8 Management Services, in the noticing of the sales of the Goodwin, McArtor, or Cheney residences
9 had the authority to conduct the sale on behalf of MERS as the purported beneficiary under the
10 respective deeds of trust related to the properties, or on behalf of any party to whom MERS may
11 have assigned its purported beneficial interest prior to the sale.

12 122. The parties who purchased the Goodwin, McArtor, and Cheney residences,
13 including Defendants HSBC, Bank of New York, and IB Property Holdings, L.L.C. were MERS
14 members and co-conspirators as alleged herein and/or knew or should have known that MERS was
15 not a proper beneficiary.

16 123. Upon information and belief, the parties who purchased the Goodwin, McArtor,
17 and Cheney residences were not bona fide purchasers for value.

18 124. The Defendants have recorded these deeds and have or will attempt to eject the
19 Plaintiffs Goodwin, McArtor, and Cheney from their homes.

20 125. The Plaintiffs Goodwin, McArtor, Cheney and Gabel all still live in their homes
21 and have been served with notices to quit the premises.

(Facts as to Plaintiff Fredrick Tulip)

126. Plaintiff Fredrick Tulip had a deed of trust on his property that stated that a MERS was the beneficiary or the nominee for the lender as described below.

127. Fredrick S. Tulip executed a Deed of Trust dated September 25, 2006 in the amount of \$279,000.00 related to his residence located at 659 Bowles Lane, Gardnerville, Nevada which listed New Century Mortgage Corporation as Lender and which listed MERS as beneficiary. Stewart Title was listed as the Trustee and HomeEq Servicing, a division of GMAC, was the original servicer. The Deed of Trust was supplemented by an Adjustable Rate Rider providing for an initial interest rate of 7.100% subject to change on October 1, 2008 based on adding 6.050% to the LIBOR six-month index, and which interest rate capped at 14.100%, but would never be less than 7.100%. The rider also provided for an interest only period between September 25, 2006 and October 1, 2011. The Deed of Trust was also supplemented by a prepayment rider that contained prepayment penalty provisions if a prepayment which exceeded 20% of the original amount of the note was made within two years from September 25, 2006. The initial monthly payment under the note was \$1,650.75 beginning November 1, 2006.

128. On or about November 13, 2008, National Default Servicing Corporation recorded a Notice of Trustee's Sale against the Tulip property with the Douglas County Recorder scheduling the sale for December 20, 2008.

129. On or about December 24, 2008, a Trustee's Deed was recorded with the Douglas County Recorder. Upon information and belief, the property was sold to Deutsche Bank National Trust Company, as Trustee ("Deutsche Bank").

130. On or about January 12, 2009, Defendant Deutsche Bank issued a three-day notice to quit to Plaintiff Tulip.

1 131. Plaintiff Tulip lost his home and has been required to replace his home in order to
2 have shelter for himself and his family.

3 132. Plaintiff Tulip lost his home due to the foreclosure on the home by entities alleging
4 to be the trustee or owner of the beneficial interest in the deed of trust, but which entities are not
5 MERS and not the lender stated on the original the deeds of trust.

6 133. None of the parties who purchased the Plaintiffs' properties as described herein
7 were bona fide purchasers in good faith.
8

9 **(Specific facts as to Plaintiffs Joaquin Arevalo, Linda R. Barba, Daniel F.**
10 **Coslow, Rosa M. Diaz and Sergio Diaz, Cynthia and Charles J. Flagg, Janice**
11 **M. Gannon, Pamela Horton, Brian E. Jones, William Dan Kluttz, Joan Blake**
12 **and Ronnie McKinney, Heather Monahan and George R. Moreno, James H.**
13 **Mullennix and Jeanne K. Mullennix, Victor Parece, Cody Premo, George W.**
14 **Premo, III, Travis and Sylvia Rawlings, Tonya Dawn Mull, fka Tonya Dawn**
15 **Robinson, James Sandborn, Signe Stehman, John and Debbie Sullivan,**
16 **Joseph and Arlene Thurston, Jesus Tovar, and John F. and Rosalie L.**
17 **Wilburn)**

18 134. The Plaintiffs named just above have deeds of trust with MERS named as the
19 beneficiary or the nominee for the lender as follows:

20 a. Joaquin Arevalo executed a Deed of Trust dated October 25, 2007 in the
21 amount of \$360,832.00 related to the Arevalo residence located at 8389 Opal Ranch Way, Reno,
22 Nevada which listed Universal Mortgage Company, L.L.C. as Lender and which listed MERS as
23 the beneficiary. Stewart Title Company was listed as the Trustee. Upon information and belief,
24 Defendant Countrywide Home Loans, Inc. was later substituted as Lender, at a time known to
25 Defendants. Upon information and belief, MERS later assigned its purported beneficial interest in
the deed of trust to Recontrust Company, N.A.

 b. Linda Barba executed a Deed of Trust dated April 19, 2007 in the amount of
\$117,118.00 related to the purchase of the Barba residence located at 3010 Beaverhead Lane,

1 Fernley, Nevada which listed Countrywide Home Loans, Inc. as Lender and which listed MERS as
2 the beneficiary. Recontrust Company, N.A. was listed as the Trustee. Ms. Barba also executed a
3 second Deed of Trust dated April 19, 2007 in the amount of \$44,279.00 listing Countrywide Home
4 Loans, Inc. as Lender and listing MERS as the beneficiary. Recontrust Company, N.A. was listed
5 as the Trustee. The deeds of trust were entered to secure loans to purchase the Barba residence
6 described herein. Per her 2006 federal income tax return, Ms. Barba received income in the
7 amount of \$11,160.00 from social security benefits. Her 2007 benefits totaled \$12,534.00. Her
8 2008 benefits totaled \$12,820.80. The payments due under the note allegedly secured by the first
9 deed of trust were \$1,070.09 for the first 120 months of the loan term, then scheduled to increase
10 to \$1,399.90 thereafter. The initial payments under the first deed of trust comprised 115% of Ms.
11 Barba's social security benefits. Ms. Barba also received social security benefits for her son and
12 nephew which were used by the Countrywide representative to qualify Ms. Barba for the loans.
13 The Countrywide representative informed Ms. Barba that if she made the payments on time for
14 one year, she would be able to refinance the mortgages. Ms. Barba relied on this representation
15 and on the representation that she was qualified to enter the loans in entering the loans, as
16 evidenced by her signature on the loan documents. In approximately June 2008, when Ms. Barba
17 attempted to refinance the first and second mortgages, Countrywide informed her that she was not
18 able to modify the loans because she could not use social security payments as income. In
19 September or October 2008, Countrywide informed Ms. Barba that if she fell behind in her
20 payments, she would have a better chance at obtaining a loan modification. In reliance on that
21 statement by Countrywide's representative, Ms. Barba ceased making payments in November
22 2008.
23
24
25

1 c. Daniel F. Coslow and Julie A. Coslow entered into a Deed of Trust dated
2 November 28, 2005 related to the Coslow residence located at 165 East 5th Avenue, Sun Valley,
3 Nevada in the amount of \$145,000.00 which listed MILA, Inc. as Lender and which listed MERS
4 as the beneficiary. First American Title was listed as the Trustee. The deed of trust was security
5 for an interest only adjustable rate note which required initial monthly payments of \$809.58, with
6 an initial principal and interest payment beginning January 1, 2011, and which note matured on
7 December 1, 2035. Plaintiffs Coslow attempted to modify this loan through Litton Loan Services
8 in May 2008.
9

10 d. Rosa Diaz and Sergio Diaz executed a Deed of Trust dated October 30,
11 2006 in the amount of \$284,720.00 listing WMC Mortgage Corp. as Lender and listing MERS as
12 the beneficiary related to the purchase of the Diaz residence at 7186 Truth Drive, Sparks, Nevada.
13 Westwood Associates was listed as the Trustee and WMC-Western Progressive was the original
14 servicer. The deed of trust was allegedly security for an adjustable rate note with an initial
15 interest rate of 5.945% which was supplemented by a balloon rider. The note called for initial
16 payments of \$1,555.67, which payments were subject to adjustment of the initial interest rate on
17 November 1, 2008 based on adding 5.975% to the 6 month LIBOR index, and which interest rate
18 was capped at 12.445%. This note was subject to a prepayment penalty of 20% of the original
19 principal amount due under the note if the note was paid in full within the first 24 months after
20 execution of the note. The Diazes also executed a second deed of trust relating to the same
21 property on October 30, 2006 in the amount of \$71,180.00 which listed WMC Mortgage Corp. as
22 Lender and which listed MERS as the beneficiary, which was allegedly security for a note bearing
23 interest at the rate of 11.990% and called for monthly payments in the amount of \$731.62. The
24
25

1 initial payments on the first and second notes comprised approximately 63% of the Diazes'
2 monthly income in 2006.

3 e. Cynthia and Charles Flagg executed a Deed of Trust dated April 14, 2005 in
4 the amount of \$248,000.00 related to refinancing a loan on the Flagg residence at 2278 Desert
5 Cove Court, Reno, Nevada which listed BNC Mortgage, Inc. as Lender and which listed MERS as
6 the beneficiary. T.D. Service Company was listed as the Trustee. The deed of trust was allegedly
7 security for an interest only adjustable rate note which required initial monthly payments of
8 \$1,516.94 with an initial principal and interest payment beginning May 1, 2007, and which note
9 matured on May 1, 2035. The Flaggs also executed a second Deed of Trust relating to the same
10 property on April 14, 2005 which listed BNC Mortgage, Inc. as Lender and which listed MERS as
11 the beneficiary in the amount of \$62,000.00. T.D. Service Company was listed as the Trustee.
12 The second Deed of Trust was supplemented by a balloon rider. The second Deed of Trust was
13 allegedly security for an interest only note bearing interest at the rate of 11.75% per year, with
14 monthly payments of \$624.84 for 179 months, and a balloon payment of \$53,474.67 due on May
15 1, 2020.

16
17 f. Janice M. Gannon executed a Deed of Trust dated June 22, 2005 in the
18 amount of \$346,465.00 which listed American Home Mortgage Acceptance, Inc. as Lender and
19 which listed MERS as the beneficiary related to purchase of the Gannon residence at 3965 Skyline
20 Boulevard, Reno, Nevada. Ticor Title of Nevada, Inc. was listed as the Trustee. The deed of trust
21 was allegedly security for an adjustable rate note, which bore interest at an initial rate of 6%,
22 subject to change beginning on July 1, 2010, and subject to change every six months thereafter, by
23 adding 2.25% to the six-month LIBOR index, and which interest rate was capped at 11%
24
25

1 g. Pamela Horton entered into a Deed of Trust dated December 5, 2005 in the
2 amount of \$1,137,500.00 which listed Pacific Crest Savings Bank as Lender and which listed
3 MERS as the beneficiary related to a permanent loan on the residence at 1112 Cortez Lane,
4 Gardnerville, Nevada. First American Title was listed as the Trustee and Pacific Crest Savings
5 was the original servicer. The deed of trust was allegedly security for an adjustable rate note
6 which required monthly payments of \$6,161.46 with an initial principal and interest payment
7 beginning February 1, 2006, and which note matured on January 1, 2036. The note was
8 supplemented by an Adjustable Rate Rider with an initial interest rate of 6.5% set to adjust on
9 January 1, 2011 with a rate cap of 11.5%. Per her 2004 income tax return, Ms. Horton received an
10 adjusted gross income in the amount of \$48,305.00.
11

12 h. Brian E. Jones executed a Deed of Trust dated November 14, 2006 in the
13 amount of \$337,487.00 which listed Affordable Interest Mortgage as Lender and which listed
14 MERS as the beneficiary for the purpose of refinancing a loan on the Jones residence at 5088
15 Coggens Road, Reno, Nevada. Founders Title Company of Nevada was listed as the Trustee and
16 Affordable Interest Mortgage was the original servicer.
17

18 i. William Dan Kluttz entered into a Deed of Trust dated October 18, 2006 in
19 the amount of \$256,795.00 related to the purchase of the Kluttz residence at 1263 Bellatrix Way,
20 Sparks, Nevada which listed Summit Funding, Inc. as Lender and which listed MERS as the
21 beneficiary. North American Title Company was listed as the Trustee and Summit Funding, Inc.
22 was the original servicer. The deed of trust was allegedly secured by an interest only fixed rate
23 note required initial monthly payments of \$1,364.22 for the first ten years, increasing to \$1,895.74
24 per month beginning December 1, 2016 and which note matured on November 1, 2036.
25

1 j. Joan Blake and Ronnie McKinney executed a Deed of Trust dated July 18,
2 2005 in the amount of \$249,600.00 listing First Horizon Home Loan Corporation as Lender and
3 MERS as beneficiary related to the residence at 2283 Ruddy Way, Sparks, Nevada. First
4 American Title was listed as the Trustee and First Horizon Loan Corporation was the original
5 servicer. The deed of trust was allegedly security for an adjustable rate note with an initial interest
6 rate of 6.125% and initial payments of \$1,274.00 per month with an initial change date of August
7 1, 2010. Also on June 18, 2005, Joan Blake and Ronnie McKinney entered a second Deed of
8 Trust in the amount of \$46,800.00 related to the property at 2283 Ruddy Way, Sparks, Nevada
9 which listed First Horizon Home Loan Corporation as Lender and which allegedly secured a fixed
10 rate balloon note bearing yearly interest at 9%, with monthly payments of \$376.57 beginning
11 September 1, 2005, and the balance due in full on August 1, 2020.
12

13 k. Heather Monahan and George Moreno executed a Deed of Trust on
14 September 13, 2005 in the amount of \$524,000.00 for the purpose of refinancing a loan on the
15 residence located at 1743 Cloud Peak Drive, Sparks, Nevada, which listed CTX Mortgage
16 Company, LLC as Lender and which listed MERS as the beneficiary. John L. Matthews or
17 Timothy M. Bartosh was listed as the Trustee and CTX Mortgage Company, L.L.C. was the
18 original servicer.
19

20 l. James H. and Jeanne K. Mullennix executed a Deed of Trust on June 17,
21 2005 in the amount of \$296,550.00 related to the purchase of the residence at 2235 Lenticular
22 Drive, Sparks, NV which listed Countrywide Home Loans, Inc. as Lender and which listed MERS
23 as beneficiary. Recontrust Company, N.A. was listed as the Trustee and Countrywide Home
24 Loans, Inc. was the original servicer. The Deed of Trust was supplemental with an Adjustable
25 Rate Rider. The Deed of Trust was allegedly security for an adjustable rate note with an initial

1 yearly interest rate of 1.375%, with an initial change date of August 1, 2005, and with initial
2 monthly payments of \$1,005.76. The Note was subject to a prepayment penalty in the amount
3 equal to six months' advance interest on the amount of the prepayment if, within the first 36
4 months after execution of the Note, a prepayment was made exceeding 20% of the original
5 principal amount. The Note provided for negative amortization.

6 m. James H. Mullennix and Jeanne Mullennix executed a Deed of Trust dated
7 October 19, 2005 related to a refinancing of a loan the residence located at 40 White Dove Court,
8 Sparks, Nevada in the amount of \$432,000.00 which listed Countrywide Home Loans, Inc. as
9 Lender and which listed MERS as beneficiary. Recontrust Company, N.A. was listed as the
10 Trustee and Countrywide Home Loans, Inc. was the original servicer. The Deed of Trust was
11 supplemented by an Adjustable Rate Rider that provided for changes in the initial interest rate of
12 1.5% on December 1, 2005 by adding 2.9% to an index based on the 12 month yield on U.S.
13 Treasury Securities. Per the Adjustable Rate Rider, the initial monthly payment under the note
14 was \$1,490.92. The loan terms provided for negative amortization. The note which was allegedly
15 secured by the Deed of Trust referred to herein was subject to a prepayment penalty.

16 n. Victor Parece entered into a Deed of Trust on December 24, 2007 in the
17 amount of \$204,419.00 related to a refinancing of a loan on the Parece residence at 199
18 Alexandrite Court, Sun Valley, Nevada which listed Taylor, Bean & Whitaker Mortgage Corp. as
19 Lender and MERS as the beneficiary. Western Title Company, Inc. was listed as the Trustee and
20 Taylor, Bean & Whitaker Mortgage Corp. was the original servicer.

21 o. Cody Premo and George W. Premo executed a Deed of Trust dated
22 September 2, 2005 in the amount of \$300,000.00 related to a refinancing of a loan on the Premo
23 residence located at 3971 Burlington Drive, Sparks, Nevada, which listed Countrywide Home
24
25

1 Loans, Inc. as Lender and which listed MERS as the beneficiary. Recontrust Company, N.A. was
2 listed as the Trustee and Countrywide Home Loans, Inc. was the original servicer.

3 p. Travis and Cynthia Rawlings executed a Deed of Trust dated January 12,
4 2006 in the amount of \$448,300.00 related to the purchase of the Rawlings residence located at
5 2330 Copper Springs Drive, Reno, Nevada which listed CTX Mortgage Company as Lender and
6 MERS as the beneficiary. Timothy M. Bartosh or William B. Naryka was listed as the Trustee and
7 CTX Mortgage Company was the original servicer.

8 q. Tonya Dawn Mull, fka Tonya Dawn Robinson, executed a Deed of Trust
9 dated November 1, 2007 in the amount of \$268,850.00 related to the purchase of the Robinson
10 residence located at 985 Country Ridge Drive, Sparks, Nevada, which listed Sierra Pacific
11 Mortgage Company, Inc. as Lender and which listed MERS as the beneficiary. Greenhead
12 Investments, Inc. was listed as the Trustee and Sierra Pacific Mortgage Company, Inc. was the
13 original servicer.

14 r. James Sandborn executed a Deed of Trust dated April 2, 2007 in the amount
15 of \$296,786.00 related to the purchase of the Sandborn residence located at 8911 Finnsech Drive,
16 Reno, Nevada, which listed Universal American Mortgage Company of California as Lender and
17 which listed MERS as the beneficiary. Stewart Title Company was listed as the Trustee and
18 Universal American Mortgage Company was the original servicer. Upon information and belief,
19 the loan was transferred to Countrywide Home Loans, Inc.

20 s. Signe Stehman executed a Deed of Trust dated May 10, 2006 in the amount
21 of \$350,000.00 related to refinancing a loan on the property located at 35 Leo Drive, Sparks, NV
22 which listed Preferred Financial Group, Inc. dba Preferred Mortgage Services as Lender and
23
24
25

1 MERS as beneficiary. Western Title was listed as the Trustee and Preferred Financial Group, Inc.
2 dba Preferred Mortgage Services was the original servicer.

3 t. Joan Sullivan and Debbie Sullivan executed a Deed of Trust dated March
4 14, 2007 in the amount of \$559,200.00 related to refinancing a loan on the Sullivan residence
5 located at 3799 Meadow Wood Road, Carson City, Nevada, which listed First NLC Financial
6 Services, LLC as Lender and listed MERS as the beneficiary. The Trustee designation was blank
7 and First NLC Financial Services was the original servicer. The deed of trust allegedly secured an
8 adjustable rate note with an initial interest rate of 9.49%.

9
10 u. Joseph Thurston and Arlene Thurston executed a Deed of Trust dated July
11 27, 2005 in the amount of \$478,400.00 related to the Thurston residence located at 2830 La Cresta
12 Drive, Minden, Nevada which listed Fremont Investment & Loan as Lender and which listed
13 MERS as the beneficiary. First American Title Company was listed as Trustee and Fremont
14 Investment & Loan was the original servicer. The deed of trust allegedly secured an adjustable
15 rate note which required initial monthly payments of \$2,292.33 supplemented by an Adjustable
16 Rate Rider in which the interest rate would be subject to change beginning on August 1, 2007 and
17 every six months thereafter by adding 4.8725% to the 6 month LIBOR rate on every change rate
18 date thereafter. The note was also supplemented with a prepayment rider providing for a
19 prepayment penalty of up to 20% of the original principal amount of the note if the note was paid
20 within two years after issuance of the loan. Mr. and Mrs. Thurston executed a second Deed of
21 Trust dated July 27, 2005 in the amount of \$80,000.00 related to their residence which listed
22 Fremont Investment and Loan as Lender and which listed MERS as beneficiary. The second deed
23 of trust was allegedly security for a fixed rate note bearing interest of 9.5% (APR) with monthly
24
25

1 payments of \$658.15. Per their 2004 income tax return, Mr. and Mrs. Thurston earned an adjusted
2 gross income of \$88,069.00.

3 v. Jesus Tovar executed a Deed of Trust dated June 1, 2007 in the amount of
4 \$278,400.00 related to the refinancing of a loan on the Tovar residence located at 4240 Mira Loma
5 Drive, Reno, Nevada which listed Wilson Resources, Inc. as the Lender and which listed MERS as
6 the beneficiary. Western Title Company was listed as the Trustee and Wilson Resources was the
7 original servicer. The deed of trust was supplemented with a fixed/adjustable rate rider which
8 provided that the initial interest rate on the underlying note of 6.25% would adjust on July 1, 2012
9 by adding 2.25% to the then-current LIBOR index. Mr. Tovar also executed a second Deed of
10 Trust dated June 1, 2007 in the amount of \$52,000.00 related to the Tovar residence which listed
11 Wilson Resources, Inc. as Lender and which listed MERS as the beneficiary. This deed of trust
12 was supplemented with a balloon rider.

14 w. John F. Wilburn and Rosalie Wilburn executed a Deed of Trust dated
15 January 12, 2007 in the amount of \$308,000.00 related to the refinancing of a loan on the Wilburn
16 residence located at 2165 Stone View Drive, Sparks, Nevada which listed Countrywide Home
17 Loans, Inc. as Lender and which listed MERS as beneficiary. Recontrust Company, N.A. was
18 listed as the Trustee and Countrywide Home Loans, Inc. was the original servicer. The deed of
19 trust was allegedly security for a note bearing interest at the rate of 6.875% and which called for
20 monthly payments of \$1,886.11. The monthly payments called for under the note were 52% of the
21 2006 adjusted gross income reported on the Wilburns' 2006 income tax return of \$43,143.00.

23 135. The Plaintiffs have all received notice that their homes will be subjected to
24 foreclosure or sale as follows:
25

1 a. Recontrust Company issued a Notice of Default and Election to Sell the
2 Arevalo residence on or about March 27, 2009 which was recorded with the Washoe County
3 Recorder on March 27, 2009. The Notice indicates that if the default is not cured by May 1, 2009,
4 the property may thereafter be sold. Once the Notice of Default has been recorded for ninety (90)
5 days, the property is subject to sale within twenty-one days.

6 b. Recontrust Company issued a Notice of Default and Election to Sell the
7 Barba residence on or about February 10, 2009 which was recorded with the Lyon County
8 Recorder on February 11, 2009. Recontrust Company issued a Notice of Trustee's Sale on
9 May 15, 2009 and recorded the notice with the Lyon County Recorder on May 19, 2009. The
10 Barba residence was scheduled for a trustee's sale on June 5, 2009, which was continued to June
11 19, 2009.

12 c. Quality Loan Service Corp. issued a Notice of Breach and Default and
13 Election to Cause Sale of Real Property Under Deed of Trust on the Coslow residence on May 12,
14 2009 which was recorded with the Washoe County Recorder on May 13, 2009. The Notice
15 indicates that if the default is not cured by June 17, 2009, the property may thereafter be sold.

16 d. Western Progressive, LLC issued a Notice of Breach and Default and of
17 Election to Sell the Real Property Under First Deed of Trust on the Diaz residence on April 14,
18 2009 which was recorded with the Washoe County Recorder on April 14, 2009. The Notice
19 indicates that if the default is not cured by May 19, 2009, the property may thereafter be sold.

20 e. National Default Servicing Company issued a Notice of Default and
21 Election to Sell Under Deed of Trust on the Flagg residence on April 28, 2009 which was recorded
22 with the Washoe County Recorder on April 28, 2009. The notice indicates that if the default is not
23
24
25

1 cured within three months following the recordation of the notice, a date to cause the sale of the
2 residence will be set.

3 f. T.D. Service Company issued a Notice of Default and Election to Sell
4 Under Deed of Trust on the Gannon residence on February 17, 2009 which was recorded with the
5 Washoe County Recorder on February 17, 2009. On May 18, 2009, T.D. Service Company, as
6 agent for AHMSI Default Services, recorded a Notice of Trustee's Sale on the Gannon residence
7 with the Washoe County Recorder, scheduling the sale for June 11, 2009.
8

9 g. National Default Servicing Corporation recorded a Notice of Default against
10 the Horton residence with the Douglas County Recorder on April 29, 2009. The Notice indicates
11 that if the default is not cured by June 3, 2009, the property may thereafter be sold.

12 h. National Default Serving Corporation, as Agent for Wells Fargo Bank,
13 N.A., fka Wells Fargo Home Mortgage, Inc., fka Norwest Mortgage, Inc., issued a Notice of
14 Default and Election to Sell Under Deed of Trust on the Jones residence on February 18, 2009
15 which was recorded with the Washoe County Recorder on February 18, 2009. On May 19, 2009,
16 National Default Servicing Corporation issued a Notice of Trustee's Sale for the Jones residence
17 and recorded the Notice with the Washoe County Recorder on May 19, 2009. The sale was
18 scheduled for June 10, 2009.
19

20 i. Recontrust Company, N.A. issued a Notice of Default and Election to Sell
21 Under Deed of Trust on May 4, 2009 on the Kluttz residence and recorded the Notice with the
22 Washoe County Recorder on the same day. The notice indicates that if the default is not cured by
23 June 7, 2009, the property may thereafter be sold.

24 j. Quality Loan Servicing Corp. as agent for beneficiary, recorded a Notice of
25 Default and Election to Cause Sale of Real Property Deed of Trust on the Blake/McKinney

1 property with the Washoe County Recorder on May 26, 2009. The Notice indicates that if the
2 default is not cured by June 30, 2009, the property may be sold thereafter.

3 k. National Default Servicing Corporation, as Agent for America's Servicing
4 Company issued a Notice and Election to Sell on October 8, 2008 on the Monahan/Moreno
5 residence and recorded the Notice with the Washoe County Recorder. On January 13, 2009,
6 National Default Servicing Corporation recorded a Notice of Trustee's Sale on the
7 Monahan/Moreno residence with the Washoe County Recorder, scheduling the sale for February
8 4, 2009. The sale was continued and is expected to be rescheduled to a date in July.

9
10 l. Recontrust Company, N.A. issued a Notice of Trustee's Sale on the
11 Mullenix property at 2235 Lenticular Drive, Sparks, NV on May 28, 2009 which indicates the
12 property is scheduled to be sold on June 17, 2009.

13 m. Mr. and Mrs. Mullennix are approximately six months behind on the
14 mortgage payment on the White Dove property and expect a Notice of Default to be issued on the
15 property at any time.

16 n. MTC Financial, Inc. dba Trustee Corps issued a Notice of Default and
17 Election to Sell Under Deed of Trust on the Parece residence on February 20, 2009 and recorded
18 the notice on February 20, 2009 with the Washoe County Recorder. The notice indicated that if
19 the default was not cured by April 7, 2009 the property may thereafter be sold. MTC Financial,
20 Inc. dba Trustee Corps issued a Notice of Trustee's Sale subsequent to April 7, 2009 which
21 scheduled the Parece residence to be sold on June 10, 2009. The sale was subsequently postponed,
22 and the Parece residence is subject to sale at any time.

23
24 o. Recontrust Company issued a Notice of Default and Election to Sell Under
25 Deed of Trust on the Premo residence on May 20, 2009 and recorded the Notice on May 20, 2009

1 with the Washoe County Recorder. The Notice indicates that if the default is not cured by June
2 24, 2009 the property may thereafter be sold.

3 p. Quality Loan Service Corp. issued a Notice of Breach and Default and
4 Election to cause sale of real property Under Deed of Trust on the Rawlings residence of January
5 13, 2009 and recorded the notice on January 13, 2009 with the Washoe County Recorder. Quality
6 Loan Service Corp. then issued a Notice of Trustee's Sale on April 14, 2009 and recorded the
7 notice on April 17, 2009 with the Washoe County Recorder. The Rawlings residence was
8 scheduled for a Trustee's Sale on May 6, 2009. The sale was postponed and the home is subject to
9 sale at any time without notice.
10

11 q. Recontrust Company issued a Notice of Default and Election to Sell Under
12 Deed of Trust on the Robinson residence on April 29, 2009 and recorded the Notice with the
13 Washoe County Recorder on April 29, 2009. The Notice indicates that if the default is not cured
14 by June 3, 2009, the property may thereafter be sold.

15 r. Recontrust Company issued a Notice of Default and Election to Sell Under
16 Deed of Trust on the Sandborn residence on May 1, 2009 and recorded the Notice with the
17 Washoe County Recorder on May 1, 2009. The Notice indicates that if the default is not cured by
18 June 5, 2009, the property may thereafter be sold.
19

20 s. National Default Servicing Corporation recorded a Notice of Trustee's Sale
21 on the Stehman residence on February 11, 2009 scheduling the trustee's sale for February 11,
22 2009. This sale was continued to July 1, 2009.

23 t. Western Progressive, LLC, issued a Notice of Trustee's Sale on the Sullivan
24 residence on April 27, 2009 scheduling the trustee's sale for May 22, 2009. The sale was
25 postponed to June 15, 2009.

1 u. On or about December 30, 2008, a Notice of Trustee's Sale was recorded
2 against the Thurston residence with the Douglas County Recorder. The sale was scheduled for
3 January 28, 2009, but was later canceled. The Thurston property is subject to sale at any time.

4 v. Recontrust Company, N.A. issued a Notice of Trustee's Sale on May 29,
5 2009 on the Tovar residence which was recorded with the Washoe County Recorder on June 2,
6 2009. The trustee's sale was noticed for June 17, 2009.

7 w. Recontrust Company issued a Notice of Default and Election to sell the
8 Wilburn residence on June 2, 2009 which was recorded with the Washoe County Recorder on June
9 2, 2009. The Notice indicates that if the default is not cured by July 7, 2009, the property may
10 thereafter be sold.
11

12 136. The Plaintiffs and/or their family members live in these homes.

13 137. Some of the Plaintiffs have attempted to seek modification of their loans with the
14 servicers who have failed and refused to modify the terms of the loans.

15 138. The entities that are giving notice that they will foreclose on the homes of the
16 Plaintiffs are not MERS and are not the lenders that originated the deeds of trust.

17 139. These Plaintiff received loans on stated income or with no proof of income.
18

19 **FIRST CLAIM FOR RELIEF**
20 **(Fraud in the Inducement)**

21 **(As to Plaintiffs Barba and Wilburn**
22 **Against Defendant Countrywide Home Loans, Inc. and**
23 **As to Plaintiffs Diaz Against WMC Mortgage Corp. ONLY)**

24 140. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
25 forth in this claim.

1 141. Defendants Countrywide Home Loans, Inc. and WMC Mortgage Corp.,
2 respectively, each had a duty to disclose material loan terms to Plaintiffs Barba and Wilburn and
3 Diaz, respectively, and to be truthful in their representations to Plaintiffs.

4 142. In support of her claim against Countrywide Home Loans, Inc., Plaintiff Barba
5 alleges as follows:

6 a. Plaintiff Barba's loans were originated in April 2007 by Defendant
7 Countrywide Home Loans, Inc.

8 b. Defendant Countrywide Home Loans, Inc., through its agent or agents,
9 failed to disclose the material terms of the loan and incidental services to Plaintiff Barba and
10 others similarly situated, by, inter alia, failing to explain the fact that Plaintiff and others similarly
11 situated was not qualified to enter the loan on the terms stated.

12 c. Defendant Countrywide Home Loans, Inc., through its agent or agents,
13 concealed the true terms of the loan, and the risks of the transaction, including, but not limited to,
14 the risk of default and the risk of foreclosure, from Plaintiff and similarly situated class members
15

16 d. The monthly payment due under the primary loan issued to Plaintiff Barba
17 was 115% of Plaintiff's monthly income from her social security benefits. However, Defendant
18 Countrywide, through its agent or agents, informed Plaintiff Barba that she was qualified to make
19 the loan. This statement was false and was known, or should have been known to Defendant
20 Countrywide Home Loans' agent or agents to be false. This statement was material to Plaintiff
21 Barba, as she would not have entered the loan without having been told she was qualified for it.
22 Defendant Countrywide, through its agent or agents, also represented to Plaintiff Barba that she
23 would be eligible to refinance the loan in one year after making timely payments, which
24 representation turned out to be false, as when Barba attempted to refinance the loan one year after
25

1 taking out the loan, she was informed by Countrywide's representatives that social security
2 payments could not be used as income to qualify for a new loan. Plaintiff Barba relied on these
3 representations in entering the loan, as evidenced by her signature on the loan documents.

4 143. In support of their claim against Defendant WMC Mortgage, Plaintiffs Diaz allege
5 as follows:

6 a. Plaintiffs Diaz' loans were originated in October 2006 by Defendant WMC
7 Mortgage.

8 b. Defendant WMC Mortgage, through its agent or agents, failed to disclose
9 the material terms of the loan and incidental services to Plaintiffs Diaz and others similarly
10 situated, by, inter alia, failing to explain the fact that Plaintiffs and others similarly situated were
11 not qualified to enter the loans on the terms stated.

12 c. Defendant WMC Mortgage, through its agent or agents, concealed the true
13 terms of the loan, and the risks of the transaction, including, but not limited to, negative
14 amortization, prepayment penalty provisions, the risk of default and the risk of foreclosure, from
15 Plaintiffs and similarly situated class members

16 d. The combined monthly payment due under the loans issued to Plaintiffs
17 Diaz was approximately 63% of Plaintiffs' 2006 monthly income. However, Defendant WMC
18 Mortgage, through its agent or agents, informed Plaintiffs Diaz that they were qualified to make
19 the loan. This statement was false and was known, or should have been known to Defendant
20 WMC Mortgage's agent or agents to be false. This statement was material to Plaintiffs Diaz, as
21 they would not have entered the loan without having been told they were qualified for it. Plaintiffs
22 Diaz relied on this representation in entering the loan, as evidenced by their signature on the loan
23 documents.
24
25

1 144. In support of their claims against Defendant Countrywide Home Loans, Inc.,
2 Plaintiffs Wilburn allege as follows:

3 a. Plaintiffs Wilburn's loan was originated by Defendant Countrywide Home
4 Loans, Inc. in January 2007.

5 b. Defendant Countrywide Home Loans, Inc., through its agent or agents,
6 failed to disclose the material terms of the loan and incidental services to Plaintiffs Wilburn and
7 others similarly situated, by, inter alia, failing to explain the fact that Plaintiffs and others similarly
8 situated were not qualified to enter the loan on the terms stated.

9 c. Defendant Countrywide Home Loans, Inc., through its agent or agents,
10 concealed the true terms of the loan, and the risks of the transaction, including, but not limited to,
11 the risk of default and the risk of foreclosure, from Plaintiffs and similarly situated class members
12

13 d. The monthly payment due under the loan issued to Plaintiffs Wilburn was
14 approximately 52% of Plaintiffs' monthly income. However, Defendant Countrywide, through its
15 agent or agents, informed Plaintiffs Wilburn that they were qualified to make the loan. This
16 statement was false and was known, or should have been known to Defendant Countrywide Home
17 Loans' agent or agents to be false. This statement was material to Plaintiffs Wilburn, as they
18 would not have entered the loan without having been told they were qualified for it. Plaintiffs
19 Wilburn relied on this representation in entering the loan, as evidenced by their signature on the
20 loan documents.
21

22 145. Upon information and belief, Defendants Countrywide Home Loans, Inc. and
23 WMC Mortgage knew that the loans would be subject to foreclosure as a result of Plaintiffs'
24 inability to make payments on the loans as the payments escalated during the term of the loans
25 and/or as a result of Plaintiffs' inability to qualify to refinance the loans at a later date after the

1 payments began to escalate because of changes in the interest rates and the arbitrary increase of
 2 payments by the servicers of the loans, and thus the Defendants Countrywide Home Loans, Inc.
 3 and WMC Mortgage committed acts which constitute unlawful equity stripping.

4 146. Upon information and belief, the escalating payments and/or increases in the
 5 interest rate were not properly disclosed to Plaintiffs.

6 147. Defendants intended that Plaintiffs would default on the loans and Defendants
 7 would be in a position of seizing the homes of the Plaintiffs in foreclosure actions, unlawfully
 8 depriving Plaintiffs of their interest in their homes.

9 148. As a direct result of the failure to disclose all these matters discussed hereinbefore,
 10 the Defendants Countrywide Home Loans, Inc. and WMC Mortgage have caused the Plaintiffs
 11 named in this claim for relief damages, pain and suffering, mental anguish and the Plaintiffs were
 12 required to retain counsel to prosecute these claims.

13 149. Defendants' actions in unlawfully deceiving Plaintiffs into taking the loans alleged
 14 herein was willful and wanton, justifying an award of punitive damages.

15
 16 **SECOND CLAIM FOR RELIEF**
 17 **(Unjust Enrichment)**

18 **(As to Plaintiff Goodwin Against Ocwen, Aztec Foreclosure Corporation and HSBC Bank,**
 19 **U.S.A.; As to Plaintiff McArtor Against Countrywide Home Loans, Inc. and Recontrust, Old**
 20 **Republic National Title Insurance Company and Bank of New York; As to Plaintiffs Cheney**
 21 **Against IB Property Holdings, LLC; As to Plaintiff Tulip Against Deutsche Bank; As to**
 22 **Plaintiffs Barba and Wilburn against Countrywide Home Loans, Inc. and Recontrust**
 23 **Company, N.A.; As to Plaintiffs Diaz Against WMC Mortgage Corp. and Ocwen; As to**
 24 **Plaintiffs Arevalo, Kluttz, Mullennix, Premo, and Sandborn Against Defendant Recontrust**
 25 **Company, N.A.; As to Plaintiffs Coslow Against Quality Loan Servicing Corp.; As to**
Plaintiffs Flagg, Horton, Jones, Monahan and Moreno, Stehman, and Thurston Against
Wells Fargo Bank, N.A.; As to Plaintiff Gannon Against T. D. Service Company; As to
Plaintiffs Rawlings Against Litton Loan Servicing, L.P.; As to Plaintiffs Mull (fka Robinson
and Tovar Against Countrywide Home Loans, Inc. and Recontrust)

1 150. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
2 forth in this claim.

3 151. Defendants' deceptive scheme as alleged herein unjustly enriched Defendants, and
4 each of them, to the detriment of Plaintiffs, and similarly situated class members, by causing
5 Defendants, and each of them, to receive excessive monetary payments from Plaintiffs and the
6 class members and other money or property to which the Defendants were not entitled as follows:

7 a. As to Plaintiff Aleta Goodwin, Defendant Aztec Foreclosure Corporation
8 was not the original servicer listed on Plaintiff's loan documents. Defendant Aztec Foreclosure
9 Corporation has retained monetary benefits related to the servicing of Plaintiff Goodwin's loan
10 and related to the wrongful noticing of a trustee's sale as alleged herein, to which Aztec
11 Foreclosure was not entitled. Aztec Foreclosure was appointed as a trustee for the purpose of
12 selling Goodwin's property by Defendant MERS. Defendant MERS had no right to make such
13 appointment, and any monetary benefit to Aztec Foreclosure Corporation was therefore
14 wrongfully obtained. Further, Defendant HSBC Bank, U.S.A., N.A., as Indenture Trustee for the
15 Registered Note Holders of Renaissance Home Equity Loan Trust 2008-1 purchased the Goodwin
16 property as alleged herein. Plaintiff Goodwin had no contract with HSBC Bank, U.S.A., N.A., in
17 any capacity. Defendant HSBC Bank, U.S.A. was not a bona fide purchase of the Goodwin
18 property, and is unjustly enriched by retaining title to Goodwin's property without the lawful right
19 to do so.
20
21

22 b. As to Plaintiff McArtor, Defendant Recontrust Company was appointed a
23 servicer after the origination of the loan by Greenpoint Mortgage Funding, Inc., wherein Universal
24 American Mortgage Company, L.L.C. was named the original servicer. At a time subsequent to
25 the October 18, 2004 origination of the McArtor loan, which date is known by Defendant,

1 Defendant Old Republic National Title Insurance Company was substituted as trustee, which
2 substitution was without authority. Plaintiff McArtor did not have a contract with Old Republic
3 National Title Insurance Company. Defendant Old Republic National Title Insurance Company
4 has been unjustly enriched through the sale of Plaintiff's property as alleged herein to Defendant
5 Bank of New York as successor to JP Morgan Chase Bank, N.A. as Trustee for BSALTA 2005-1
6 ("Bank of New York"). Defendant Bank of New York was not a bona fide purchaser of Plaintiff's
7 property. Plaintiff has never had a contract with Bank of New York related to the subject
8 property. Defendant Bank of New York has been unjustly enriched as a result of its purchase of
9 and retention of title to Plaintiff's property.
10

11 c. As to Plaintiffs Cheney, Seaside Trustee was substituted as trustee
12 subsequent to the origination of the Cheney loan on November 30, 2006, which substitution was
13 without authority. Seaside Trustee unlawfully foreclosed on Plaintiff's property as alleged herein
14 and sold the property to Defendant IB Property Holdings, L.L.C. as alleged herein. Defendant IB
15 Property Holdings was not a bona fide purchaser of Plaintiff's property. Plaintiff has never had a
16 contract with IB Property Holdings related to the subject property. Defendant IB Property
17 Holdings has been unjustly enriched as a result of its purchase of and retention of title to Plaintiff's
18 property.
19

20 d. As to Plaintiff Tulip, Defendant Deutsche Bank purchased the Tulip
21 property at a foreclosure sale which was wrongfully conducted by National Default Servicing
22 Corp. Plaintiff Tulip did not have a contract with either National Default Servicing Corp. or with
23 Defendant Deutsche Bank. Defendant Deutsche Bank was not a bona fide purchaser as alleged
24 herein. Defendant Deutsche Bank has been unjustly enriched as a result of its purchase of and
25 retention of title to Plaintiff's property.

1 e. As to Plaintiffs Barba and Wilburn, whose loan contracts were obtained by
2 Countrywide through fraud and misrepresentation as alleged herein, the contracts are void or
3 voidable. Countrywide has received payments from Plaintiffs Barba and Wilburn. Because
4 Countrywide obtained the contracts through fraud, any retention of payments made by Plaintiffs
5 Barba and Wilburn is unjust.

6 f. As to Plaintiff Arevalo, as alleged herein, MERS assigned its beneficial
7 interest in the loan to Defendant Recontrust Company, N.A. Plaintiff did not execute a note
8 payable to MERS, and MERS had no beneficial interest in the transaction. Any assignment of any
9 beneficial interest from MERS to Recontrust was void or voidable. Plaintiff Arevalo never had a
10 contract with Recontrust. Any payments retained by Recontrust were wrongfully retained and
11 Recontrust Company, N.A. has been unjustly enriched.

12 g. As to Plaintiffs Diaz, whose loan contract was obtained by WMC Mortgage
13 through fraud and misrepresentation as alleged herein, the contract is void or voidable. WMC
14 Mortgage has received payments from Plaintiffs Diaz. Because WMC Mortgage obtained the
15 contract through fraud, any retention of payments made by Plaintiffs Diaz is unjust.

16
17 152. Upon information and belief, Defendants named in the preceding paragraph herein,
18 and each of them, retained and continue to retain ongoing and escalating profits to the detriment of
19 Plaintiffs and each class member, contrary to the fundamental principals of fairness, justice, and
20 good conscience.

21
22 153. Upon information and belief, all payments made to the Defendants servicing the
23 mortgages of the Plaintiffs are not due to the Defendants who are making demands for collection,
24 as no contract existed between Plaintiffs and Defendants listed below, as follows:
25

1 a. Defendants Saxon Mortgage Services, Inc. and Ocwen are, or have been,
2 acting as servicers on the loans issued to Plaintiff Goodwin at a date known to Defendants, but
3 which occurred following the origination of the Goodwin loan in November 2006.

4 b. Defendants Countrywide Home Loans and/or Recontrust is, or has been,
5 acting as a servicer on the loan issued to Plaintiff McArtor following the origination of the loan in
6 October 2004.

7 c. Defendant Quality Loan Service Corp. is, or has been, acting as a servicer
8 on the loan issued to Plaintiff Gabel on the Kinglet Drive residence following the origination of
9 the loan in July 2007.

10 d. Defendant Recontrust Company is, or has been, acting as a servicer on the
11 loans issued to Plaintiffs Arevalo, Barba, Kluttz, Mullennix, Premo, Sandborn, and Wilburn
12 following the origination of the loans to those plaintiffs in October 2007, April 2007, October
13 2006, June and October 2005, September 2005, April 2007, and January 2007, respectively.

14 e. Defendant Quality Loan Servicing Corp. is, or has been, acting as a servicer
15 on the loan issued to Plaintiffs Coslow following the origination of that loan in November 2005.

16 f. Defendant Ocwen is, or has been, acting as a servicer on the loan issued to
17 Plaintiffs Diaz following the origination of the loan in October 2006.

18 g. Defendant Wells Fargo Bank, N.A., individually and/or through its
19 subsidiary, ASC, is, or has been, acting as a servicer on the loan issued to Plaintiffs Flagg
20 following the origination of the loan in April 2005.

21 h. Defendant T.D. Service Company is, or has been, acting as a servicer for the
22 loan issued to Plaintiff Gannon following the origination of the loan in June 2005.

23
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1 i. Defendant Wells Fargo Bank, N.A., individually and/or its subsidiary, ASC,
2 is, or has been, acting as a servicer on the loan issued to Plaintiff Horton following the origination
3 of the loan in December 2005.

4 j. Defendant Wells Fargo Bank, N.A. is, or has been, acting as a servicer on
5 the loan issued to Plaintiff Jones following the origination of the loan in November 2006.

6 Defendant Quality Loan Service Corp. is, or has been, acting as a servicer on the
7 loan issued to Plaintiffs Blake and McKinney following the origination of the loan in July 2005.

8 k. Defendant Wells Fargo Bank, N.A., individually and/or through its
9 subsidiary, ASC, is, or has been, acting as the servicer on the loan issued to Plaintiffs Monahan
10 and Moreno following the origination of the loan in September 2005.

11 l. Defendant Litton Loan Servicing, L.P. is, or has been, acting as a servicer
12 on the loan issued to Plaintiffs Rawlings following the origination of the loan in January 2006.

13 m. Defendant Countrywide Home Loans, Inc. and/or Defendant Recontrust, is,
14 or has been, acting as the servicer on the loan issued to Plaintiff Mull, fka Tonya Dawn Robinson,
15 following the origination of the loan in November 2007.

16 n. Defendant Wells Fargo Bank, N.A., individually and/or through its
17 subsidiary, ASC, is, or has been acting as the servicer on the loans issued to Plaintiffs Stehman and
18 Thurston following the origination of the loans in May 2006 and July 2005, respectively.

19 o. Defendant Ocwen is, or has been, acting as the servicer on the loan issued to
20 Plaintiffs Sullivan following the origination of the loan in March 2007.

21 p. Defendant Countrywide Home Loans, Inc. and/or Defendant Recontrust, is,
22 or has been, acting as the servicer on the loan issued to Plaintiffs Tovar following the origination
23 of the loan in March 2007.

1 159. As to each Plaintiff making a claim for wrongful foreclosure, the parties issuing the
2 notice of default and/or issuing a notice of trustee's sale on the property were not the proper
3 parties to do so:

4 a. As to Plaintiff Goodwin:

5 i. Paragraph 22 of the first deed of trust issued on the Goodwin residence
6 provides that if the "Lender invokes the power of sale, Lender shall execute or cause
7 Trustee to execute written notice of the occurrence of an event of default and of Lender's
8 election to cause the Property to be sold," Paragraph 24 of the deed of trust provides
9 that the Lender may remove the Trustee and appoint a successor trustee. The section of the
10 deed of trust entitled "Transfer of Rights in the Property" contains a provision that provides
11 that MERS has the right to foreclose and sell the property. Any appointment by MERS of
12 a successor trustee or any assignment to a successor beneficiary was invalid, as MERS is
13 not a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims
14 any right to any interest in the property or the proceeds of the loan.
15

16 ii. The original trustee under the Goodwin first deed of trust was Ticor Title of
17 Nevada and the original Lender was American Home Mortgage. The Notice of Default
18 was issued by Aztec Foreclosure Corporation, as Trustee, as agent for the Beneficiary, by
19 LPS Default Title and Closing, its agent. The Notice of Trustee's Sale on the Goodwin
20 residence was issued by Aztec Foreclosure Corporation. None of the parties who noticed
21 and conducted the trustee's sale on the Goodwin residence were the proper parties to
22 conduct a trustee's sale under N.R.S. 107.080, as none were the Lender, the beneficiary, or
23 the Trustee appointed by the Lender.
24
25

1 iii. On or about May 18, 2009, Aztec Foreclosure Corporation, as Trustee,
2 issued a Trustee's Deed Upon Sale to HSBC Bank, U.S.A., N.A., as Indenture Trustee for
3 the Registered Note Holders of Renaissance Home Equity Loan Trust 2008-1 ("HSBC")
4 following a public auction where HSBC purchased the property for \$203,670.00. As
5 alleged herein, HSBC knew or should have known that the property was not subject to a
6 nonjudicial foreclosure sale because of the status of the underlying loan on the MERS
7 system, and therefore, HSBC was not a bona fide purchaser for value.

8
9 b. As to Plaintiffs Cheney:

10 i. Paragraph 22 of the deed of trust issued on the Cheney residence provides
11 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
12 execute written notice of the occurrence of an event of default and of Lender's election to
13 cause the Property to be sold," Paragraph 24 of the deed of trust provides that the
14 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
15 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
16 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
17 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
18 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
19 right to any interest in the property or the proceeds of the loan.

20
21 ii. The original trustee under the Cheney deed of trust was TCI-Title and
22 Closing, Inc. and the original Lender was At Home Capital. The Notice of Trustee's Sale
23 on the Cheney residence was issued by Seaside Trustee Inc. None of the parties who
24 noticed and conducted the trustee's sale on the Cheney residence were the proper parties to
25

1 conduct a trustee's sale under N.R.S. 107.080, as none were the Lender, the beneficiary, or
2 the Trustee appointed by the Lender.

3 iii. On October 27, 2008, Seaside Trustee, Inc., acting as trustee, recorded with
4 the Churchill County Recorder a Trustee's Deed Upon Sale related to the Cheney residence
5 which indicated that the property had been sold at a trustee's sale to I.B. Property
6 Holdings, L.L.C., a Delaware Limited Liability Company, for \$106,250.00 at a Trustee's
7 Sale, notice of which had been previously recorded with the Churchill County Recorder on
8 September 12, 2008 scheduling the sale for October 3, 2008. As alleged herein, IB
9 Property Holdings, L.L.C. knew or should have known that the property was not subject to
10 a nonjudicial foreclosure sale because of the status of the underlying loan on the MERS
11 system, and therefore, I.B. Property Holdings, L.L.C. was not a bona fide purchaser for
12 value.
13

14 c. As to Plaintiff McArtor:

15 i. Paragraph 22 of the deed of trust issued on the McArtor residence provides
16 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
17 execute written notice of the occurrence of an event of default and of Lender's election to
18 cause the Property to be sold, . . ." Paragraph 24 of the deed of trust provides that the
19 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
20 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
21 MERS has the right to foreclose and sell the property.
22

23 ii. The original trustee under the McArtor deed of trust was Marin
24 Conveyancing Corp. and the original Lender was GreenPoint Mortgage Funding, Inc. The
25 Notice of Default was issued by Old Republic National Title Insurance Company, as agent

1 for the Beneficiary, through its Authorized Agent, Marquis Title & Escrow. The Notice of
2 Trustee's Sale on the McArtor residence was issued by Old Republic Default Management
3 Services. None of the parties who noticed and conducted the trustee's sale on the McArtor
4 residence were the proper parties to conduct a trustee's sale under N.R.S. 107.080, as none
5 were the Lender, the beneficiary, or the Trustee appointed by the Lender.

6 iii. On or about March 31, 2009, Old Republic Default Management Services, a
7 Division of Old Republic National Title Insurance Company, recorded a Trustee's Deed
8 Upon Sale against the McArtor residence. The Trustee's Deed reflects a conveyance of the
9 McArtor residence to the Bank of New York as successor to JP Morgan Chase Bank, N.A.
10 as Trustee for BSALTA 2005-1 ("Bank of NY") pursuant to Bank of NY having purchased
11 the property for \$129,600.00 at a trustee's sale on January 15, 2009. As alleged herein,
12 Bank of New York knew or should have known that the property was not subject to a
13 nonjudicial foreclosure sale because of the status of the underlying loan on the MERS
14 system, and therefore, Bank of New York was not a bona fide purchaser for value.

15
16 d. As to Plaintiff Tulip:

17 i. Paragraph 22 of the deed of trust issued on the Tulip residence provides that
18 if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to execute
19 written notice of the occurrence of an event of default and of Lender's election to cause the
20 Property to be sold," Paragraph 24 of the deed of trust provides that the Lender may
21 remove the Trustee and appoint a successor trustee. The section of the deed of trust
22 entitled "Transfer of Rights in the Property" contains a provision that provides that MERS
23 has the right to foreclose and sell the property. Any appointment by MERS of a successor
24 trustee or any assignment to a successor beneficiary was invalid, as MERS is not a true
25

1 beneficiary under the deed of trust because, as alleged herein, MERS disclaims any right to
2 any interest in the property or the proceeds of the loan.

3 ii. The original trustee under the Tulip deed of trust was Stewart Title and the
4 original Lender was New Century Mortgage Corporation. The Notice of Trustee's Sale on
5 the Tulip residence was issued by National Default Servicing Corporation. None of the
6 parties who noticed and conducted the trustee's sale on the Tulip residence were the proper
7 parties to conduct a trustee's sale under N.R.S. 107.080, as none were the Lender, the
8 beneficiary, or the Trustee appointed by the Lender.
9

10 iii. On or about December 24, 2008, a Trustee's Deed was recorded with the
11 Douglas County Recorder. Upon information and belief, the property was sold to Deutsche
12 Bank National Trust Company, as Trustee ("Deutsche Bank"). As alleged herein, Deutsche
13 Bank knew or should have known that the property was not subject to a nonjudicial
14 foreclosure sale because of the status of the underlying loan on the MERS system, and
15 therefore, Deutsche Bank was not a bona fide purchaser for value.

16 e. As to Plaintiff Arevalo:

17 i. Paragraph 18 of the deed of trust issued on the Arevalo residence provides
18 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
19 execute written notice of the occurrence of an event of default and of Lender's election to
20 cause the Property to be sold," Paragraph 20 of the deed of trust provides that the
21 Lender may remove the Trustee and appoint a successor trustee. The deed of trust contains
22 a provision that provides that MERS has the right to foreclose and sell the property. Any
23 appointment by MERS of a successor trustee or any assignment to a successor beneficiary
24 was invalid, as MERS is not a true beneficiary under the deed of trust because, as alleged
25

1 herein, MERS disclaims any right to any interest in the property or the proceeds of the
2 loan.

3 ii. The original trustee under the Arevalo deed of trust was Stewart Title
4 Company and the original Lender was Universal American Mortgage Company, LLC. The
5 Notice of Default was issued by Recontrust Company, N.A., as agent for the Beneficiary
6 by First American Title, as Agent. None of the parties who noticed the default and who
7 may attempt to conduct trustee's sale on the Arevalo residence are the proper parties to
8 conduct a trustee's sale under N.R.S. 107.080, as none are the Lender, the beneficiary, or
9 the Trustee appointed by the Lender

10 f. As to Plaintiff Barba:

11 i. Paragraph 22 of the deed of trust issued on the Barba residence provides
12 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
13 execute written notice of the occurrence of an event of default and of Lender's election to
14 cause the Property to be sold," Paragraph 24 of the deed of trust provides that the
15 Lender could remove the Trustee and appoint a successor trustee. The section of the deed
16 of trust entitled "Transfer of Rights in the Property" contains a provision that provides that
17 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
18 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
19 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
20 right to any interest in the property or the proceeds of the loan.

21 ii. The original trustee under the Barba deed of trust was Recontrust Company,
22 N.A. and the original Lender was Countrywide Home Loans, Inc. The Notice of Trustee's
23 Sale on the Barba residence was issued by Recontrust Company, N.A. The loan was
24
25

1 securitized and the beneficial interest in the deed of trust was transferred outside of the
2 MERS system at a time after the loan was originated in April 2007, which destroyed
3 Countrywide's standing as a Lender, MER's standing as a beneficiary, and Recontrust's
4 standing as a trustee. Accordingly, Recontrust Company, N.A. is not a proper party to
5 conduct a trustee's sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or
6 the Trustee appointed by the Lender.

7 g. As to Plaintiff Coslow:

8 i. Paragraph 22 of the deed of trust issued on the Coslow residence provides
9 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
10 execute written notice of the occurrence of an event of default and of Lender's election to
11 cause the Property to be sold," Paragraph 24 of the deed of trust provides that the
12 Lender could remove the Trustee and appoint a successor trustee. The section of the deed
13 of trust entitled "Transfer of Rights in the Property" contains a provision that provides that
14 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
15 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
16 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
17 right to any interest in the property or the proceeds of the loan.

18 ii. The original trustee under the Coslow deed of trust was First American Title
19 and the original Lender was MILA, Inc. The Notice of Default was issued by Quality Loan
20 Service Corp., As Agent for Beneficiary by LSI Title Company, its Agent. None of the
21 parties who noticed the default on the Coslow residence and who may attempt to conduct a
22 trustee's sale are the proper parties to conduct a trustee's sale under N.R.S. 107.080, as
23 none were the Lender, the beneficiary, or the Trustee appointed by the Lender.
24
25

1 h. As to Plaintiffs Diaz:

2 i. Paragraph 22 of the deed of trust issued on the Diaz residence provides that
3 if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to execute
4 written notice of the occurrence of an event of default and of Lender’s election to cause the
5 Property to be sold, . . .” Paragraph 24 of the deed of trust provides that the Lender could
6 remove the Trustee and appoint a successor trustee. The section of the deed of trust
7 entitled “Transfer of Rights in the Property” contains a provision that provides that MERS
8 has the right to foreclose and sell the property. Any appointment by MERS of a successor
9 trustee or any assignment to a successor beneficiary was invalid, as MERS is not a true
10 beneficiary under the deed of trust because, as alleged herein, MERS disclaims any right to
11 any interest in the property or the proceeds of the loan.
12

13 ii. The original trustee under the Diaz deed of trust was Westwood Associates
14 and the original Lender was WMC Mortgage Corp. The Notice of Default was issued by
15 Western Progressive, LLC , as agent for the Beneficiary, by Law Offices of Les Zieve, as
16 agent, by LSI Title Company, as Agent. None of the parties who noticed the default on the
17 Diaz residence and who may attempt to conduct a trustee’s sale are the proper parties to
18 conduct a trustee’s sale under N.R.S. 107.080, as none were the Lender, the beneficiary, or
19 the Trustee appointed by the Lender.
20

21 i. As to Plaintiffs Flagg:

22 i. Paragraph 22 of the deed of trust issued on the Flagg residence provides that
23 if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to execute
24 written notice of the occurrence of an event of default and of Lender’s election to cause the
25 Property to be sold, . . .” Paragraph 24 of the deed of trust provides that the Lender may

1 remove the Trustee and appoint a successor trustee. The section of the deed of trust
2 entitled "Transfer of Rights in the Property" contains a provision that provides that MERS
3 has the right to foreclose and sell the property. Any appointment by MERS of a successor
4 trustee or any assignment to a successor beneficiary was invalid, as MERS is not a true
5 beneficiary under the deed of trust because, as alleged herein, MERS disclaims any right to
6 any interest in the property or the proceeds of the loan.

7
8 ii. The original trustee under the Flagg deed of trust was T.D. Service
9 Company and the original Lender was BNC Mortgage, Inc. The Notice of Default on the
10 Flagg residence was issued by National Default Servicing Corporation, As Agent for
11 America's Servicing Company. Neither of the parties listed on the Notice of Default is the
12 proper party to notice a default or to attempt to conduct a trustee's sale under N.R.S.
13 107.080, as neither is the Lender, the beneficiary, or the Trustee appointed by the Lender.

14 j. As to Plaintiff Gannon:

15 i. Paragraph 22 of the deed of trust issued on the Gannon residence provides
16 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
17 execute written notice of the occurrence of an event of default and of Lender's election to
18 cause the Property to be sold, . . ." Paragraph 24 of the deed of trust provides that the
19 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
20 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
21 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
22 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
23 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
24 right to any interest in the property or the proceeds of the loan.
25

1 ii. The original trustee under the Gannon deed of trust was Ticor Title of
2 Nevada and the original Lender was American Home Mortgage Acceptance, Inc. The
3 Notice of Default on the Gannon residence was issued by AHMSI Default Services, Inc.,
4 by T.D. Service Company as Agent for the Trustee by LSI Title Company, as Agent. The
5 Notice of Trustee's Sale on the Gannon residence was issued by AHMSI Default Services,
6 Inc. as Trustee by T.D. Service Company as agent. None of the parties who noticed the
7 trustee's sale on the Gannon residence are the proper parties to conduct a trustee's sale
8 under N.R.S. 107.080, as none are the Lender, the beneficiary, or the Trustee appointed by
9 the Lender.
10

11 k. As to Plaintiff Horton:

12 i. Paragraph 22 of the first deed of trust issued on the Horton residence
13 provides that if the "Lender invokes the power of sale, Lender shall execute or cause
14 Trustee to execute written notice of the occurrence of an event of default and of Lender's
15 election to cause the Property to be sold," Paragraph 24 of the deed of trust provides
16 that the Lender may remove the Trustee and appoint a successor trustee. The section of the
17 deed of trust entitled "Transfer of Rights in the Property" contains a provision that provides
18 that MERS has the right to foreclose and sell the property. Any appointment by MERS of
19 a successor trustee or any assignment to a successor beneficiary was invalid, as MERS is
20 not a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims
21 any right to any interest in the property or the proceeds of the loan.
22

23 ii. The original trustee under the Horton first deed of trust was First American
24 Title and the original Lender was Pacific Crest Savings Bank. The Notice of Default on the
25 Horton residence was issued by National Default Servicing Corp. National Default

1 Servicing Corp. is not a proper party to issue a notice of default or to attempt to conduct a
2 trustee's sale on the Horton residence under N.R.S. 107.080, as it was not the Lender, the
3 beneficiary, or the Trustee appointed by the Lender.

4 l. As to Plaintiff Jones:

5 i. Paragraph 18 of the deed of trust issued on the Jones residence provides that
6 if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to execute
7 written notice of the occurrence of an event of default and of Lender's election to cause the
8 Property to be sold, . . ." Paragraph 20 of the deed of trust provides that the Lender may
9 remove the Trustee and appoint a successor trustee. The deed of trust contains a provision
10 that provides that MERS has the right to foreclose and sell the property. Any appointment
11 by MERS of a successor trustee or any assignment to a successor beneficiary was invalid,
12 as MERS is not a true beneficiary under the deed of trust because, as alleged herein, MERS
13 disclaims any right to any interest in the property or the proceeds of the loan.

14 ii. The original trustee under the Jones deed of trust was Founders Title
15 Company of Nevada and the original Lender was Affordable Interest Mortgage. The
16 Notice of Default on the Jones residence was issued by National Default Servicing
17 Corporation, as Agent for Wells Fargo Bank, N.A. fka Wells Fargo Home Mortgage, Inc.,
18 f/k/a Norwest Mortgage inc. by LSI Title Company, as Agent. The Notice of Trustee's
19 Sale on the Jones residence was issued by National Default Servicing Corporation. None
20 of the parties who noticed the default and noticed the trustee's sale on the Jones residence
21 are the proper parties to conduct a trustee's sale under N.R.S. 107.080, as none are the
22 Lender, the beneficiary, or the Trustee appointed by the Lender.

23 m. As to Plaintiff Kluttz:

24 i. Paragraph 22 of the deed of trust issued on the Kluttz residence provides
25 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to

1 execute written notice of the occurrence of an event of default and of Lender's election to
 2 cause the Property to be sold," Paragraph 24 of the deed of trust provides that the
 3 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
 4 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
 5 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
 6 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
 7 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
 8 right to any interest in the property or the proceeds of the loan.

9 ii. The original trustee under the Kluttz deed of trust was North American Title
 10 Company and the original Lender was Summit Funding, Inc. The Notice of Default on the
 11 Kluttz residence was issued by Recontrust Company, N.A., as agent for the Beneficiary by
 12 First American Title as Agent. Recontrust Company, N.A. is not a proper party to issue a
 13 notice of default or to attempt to conduct a trustee's sale on the Kluttz residence under
 14 N.R.S. 107.080, as it is not the Lender, the beneficiary, or the Trustee appointed by the
 15 Lender.

16 n. As to Plaintiffs Blake and McKinney:

17 i. Paragraph 22 of the first deed of trust issued on the Blake/McKinney
 18 residence provides that if the "Lender invokes the power of sale, Lender shall execute or
 19 cause Trustee to execute written notice of the occurrence of an event of default and of
 20 Lender's election to cause the Property to be sold," Paragraph 24 of the deed of trust
 21 provides that the Lender may remove the Trustee and appoint a successor trustee. The
 22 section of the deed of trust entitled "Transfer of Rights in the Property" contains a
 23 provision that provides that MERS has the right to foreclose and sell the property. Any
 24 appointment by MERS of a successor trustee or any assignment to a successor beneficiary
 25 was invalid, as MERS is not a true beneficiary under the deed of trust because, as alleged

1 herein, MERS disclaims any right to any interest in the property or the proceeds of the
2 loan.

3 ii. The original trustee under the Blake/McKinney deed of trust was First
4 American Title and the original Lender was First Horizon Home Loan Corporation. The
5 Notice of Default on the Blake/McKinney residence was issued by Quality Loan Service
6 Corp., as Agent for Beneficiary by LandAmerica OneStop Inc., as agent. Quality Loan
7 Service Corp. is not a proper party to issue a notice of default or to attempt to conduct a
8 trustee's sale on the Blake/McKinney residence under N.R.S. 107.080, as it is not the
9 Lender, the beneficiary, or the Trustee appointed by the Lender.

10 o. As to Plaintiffs Monahan and Moreno:

11 i. Paragraph 22 of the deed of trust issued on the Monahan/Moreno residence
12 provides that if the "Lender invokes the power of sale, Lender shall execute or cause
13 Trustee to execute written notice of the occurrence of an event of default and of Lender's
14 election to cause the Property to be sold," Paragraph 24 of the deed of trust provides
15 that the Lender may remove the Trustee and appoint a successor trustee. The section of the
16 deed of trust entitled "Transfer of Rights in the Property" contains a provision that provides
17 that MERS has the right to foreclose and sell the property. Any appointment by MERS of
18 a successor trustee or any assignment to a successor beneficiary was invalid, as MERS is
19 not a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims
20 any right to any interest in the property or the proceeds of the loan.

21 ii. The original trustee under the Monahan/Moreno deed of trust was John L.
22 Matthews or Timothy M. Bartosh and the original Lender was CTX Mortgage Company,
23 LLC. The Notice of Default on the Monahan/Moreno residence was issued by National
24 Default Servicing Corporation, as Agent for America's Servicing Company. The Notice of
25 Trustee's Sale on the Monahan/Moreno residence was issued by National Default

1 Servicing Corporation. National Default Servicing Corporation is not a proper party to
2 conduct a trustee's sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or
3 the Trustee appointed by the Lender.

4 p. As to Plaintiffs Mullennix:

5 i. Paragraph 22 of the deed of trust issued on the Mullennix residence at
6 Lenticular Drive provides that if the "Lender invokes the power of sale, Lender shall
7 execute or cause Trustee to execute written notice of the occurrence of an event of default
8 and of Lender's election to cause the Property to be sold, . . ." Paragraph 24 of the deed of
9 trust provides that the Lender may remove the Trustee and appoint a successor trustee. The
10 section of the deed of trust entitled "Transfer of Rights in the Property" contains a
11 provision that provides that MERS has the right to foreclose and sell the property. Any
12 appointment by MERS of a successor trustee or any assignment to a successor beneficiary
13 was invalid, as MERS is not a true beneficiary under the deed of trust because, as alleged
14 herein, MERS disclaims any right to any interest in the property or the proceeds of the
15 loan.

16 ii. The original trustee under the Mullennix Lenticular Drive property deed of
17 trust was Recontrust Company, N.A. and the original Lender was Countrywide Home
18 Loans, Inc. Recontrust Company, N.A. issued a Notice of Default and a Notice of
19 Trustee's Sale related to the deed of trust on the Lenticular Drive property. The loan was
20 securitized and the beneficial interest in the deed of trust was transferred outside of the
21 MERS system at a time after the loan was originated in June 2005, which destroyed
22 Countrywide's standing as a Lender, MER's standing as a beneficiary, and Recontrust's
23 standing as a trustee. Accordingly, Recontrust Company, N.A. is not a proper party to
24 conduct a trustee's sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or
25 the Trustee appointed by the Lender.

1 q. As to Plaintiff Parece:

2 i. Paragraph 18 of the deed of trust issued on the Parece residence provides
3 that if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to
4 execute written notice of the occurrence of an event of default and of Lender’s election to
5 cause the Property to be sold, . . .” Paragraph 20 of the deed of trust provides that the
6 Lender may remove the Trustee and appoint a successor trustee. The deed of trust contains
7 a provision that provides that MERS has the right to foreclose and sell the property. Any
8 appointment by MERS of a successor trustee or any assignment to a successor beneficiary
9 was invalid, as MERS is not a true beneficiary under the deed of trust because, as alleged
10 herein, MERS disclaims any right to any interest in the property or the proceeds of the
11 loan.

12 ii. The original trustee under the Parece deed of trust was Western Title
13 Company, Inc. and the original Lender was Taylor Bean and Whitaker Mortgage Corp. The
14 Notice of Default on the Parece residence was issued by MTC Financial, Inc. dba Trustee
15 Corps as Agent for Mortgage Electronic Registration Systems, Inc. as Nominee for Taylor,
16 Bean & Whitaker Mortgage Corp. The Notice of Trustee’s Sale on the Parece residence
17 was issued by MTC Financial, Inc. dba Trustee Corps. Upon information and belief, the
18 loan was securitized and the beneficial interest in the deed of trust was transferred outside
19 of the MERS system at a time after the loan was originated in December 2007, which
20 destroyed Taylor Bean & Whitaker’s standing as a Lender, and MER’s standing as a
21 beneficiary. Accordingly, MTC Financial, Inc. dba Trustee Corps is not a proper party to
22 conduct a trustee’s sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or
23 the Trustee appointed by the Lender.

24 r. As to Plaintiffs Premo:
25

1 i. Paragraph 22 of the deed of trust issued on the Premo residence provides
 2 that if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to
 3 execute written notice of the occurrence of an event of default and of Lender’s election to
 4 cause the Property to be sold, . . .” Paragraph 24 of the deed of trust provides that the
 5 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
 6 trust entitled “Transfer of Rights in the Property” contains a provision that provides that
 7 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
 8 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
 9 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
 10 right to any interest in the property or the proceeds of the loan.

11 ii. The original trustee under the Premo deed of trust was Recontrust
 12 Company, N.A. and the original Lender was Countrywide Home Loans, Inc. Recontrust
 13 Company, N.A. issued a Notice of Default on the Premo residence. The loan was
 14 securitized and the beneficial interest in the deed of trust was transferred outside of the
 15 MERS system at a time after the loan was originated in September 2005, which destroyed
 16 Countrywide’s standing as a Lender, MER’s standing as a beneficiary, and Recontrust’s
 17 standing as a trustee. Accordingly, Recontrust Company, N.A. is not a proper party to
 18 notice a default or attempt to conduct a trustee’s sale under N.R.S. 107.080, as it is not the
 19 Lender, the beneficiary, or the Trustee appointed by the Lender.

20 s. As to Plaintiffs Rawlings:

21 i. Paragraph 22 of the deed of trust issued on the Rawlings residence provides
 22 that if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to
 23 execute written notice of the occurrence of an event of default and of Lender’s election to
 24 cause the Property to be sold, . . .” Paragraph 24 of the deed of trust provides that the
 25 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of

1 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
2 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
3 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
4 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
5 right to any interest in the property or the proceeds of the loan.

6 ii. The original trustee under the Rawlings deed of trust was Timothy M.
7 Bartosh or William B. Naryka and the original Lender was CTX Mortgage Company. The
8 Notice of Default on the Rawlings residence was issued by Quality Loan Service Corp., as
9 Agent for Beneficiary by LSI Title Company. The Notice of Trustee's Sale on the
10 Rawlings residence was issued by Quality Loan Service Corp. Quality Loan Servicing
11 Corp. is not a proper party to conduct a trustee's sale under N.R.S. 107.080, as it is not the
12 Lender, the beneficiary, or the Trustee appointed by the Lender.

13 t. As to Plaintiff Mull, fka Robinson:

14 i. Paragraph 22 of the deed of trust issued on the Robinson residence
15 (subsequently transferred to Tonya Dawn Mull as her sole and separate property) provides
16 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
17 execute written notice of the occurrence of an event of default and of Lender's election to
18 cause the Property to be sold, . . ." Paragraph 24 of the deed of trust provides that the
19 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
20 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
21 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
22 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
23 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
24 right to any interest in the property or the proceeds of the loan.
25

1 ii. The original trustee under the Robinson deed of trust was Greenhead
2 Investments, Inc. and the original Lender was Sierra Pacific Mortgage Company, Inc. The
3 Notice of Default on the Robinson (kna Mull) residence was issued by Recontrust
4 Company, N.A. as agent for the Beneficiary by First American Title, as Agent. Recontrust
5 Company, N.A. is not a proper party to notice a default or to attempt to conduct a trustee's
6 sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or the Trustee appointed
7 by the Lender.

8 u. As to Plaintiff Sandborn:

9 i. Paragraph 18 of the deed of trust issued on the Sandborn residence provides
10 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
11 execute written notice of the occurrence of an event of default and of Lender's election to
12 cause the Property to be sold," Paragraph 20 of the deed of trust provides that the
13 Lender may remove the Trustee and appoint a successor trustee. The deed of trust contains
14 a provision that provides that MERS has the right to foreclose and sell the property. Any
15 appointment by MERS of a successor trustee or any assignment to a successor beneficiary
16 was invalid, as MERS is not a true beneficiary under the deed of trust because, as alleged
17 herein, MERS disclaims any right to any interest in the property or the proceeds of the
18 loan.

19 ii. The original trustee under the Sandborn deed of trust was Stewart Title
20 Company and the original Lender was Universal American Mortgage Company of
21 California. The Notice of Default on the Sandborn residence was issued by Recontrust
22 Company, N.A. as agent for the Beneficiary by First American Title, as Agent. Recontrust
23 Company, N.A. is not a proper party to notice a default or to attempt to conduct a trustee's
24 sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or the Trustee appointed
25 by the Lender.

1 v. As to Plaintiff Stehman:

2 i. Paragraph 22 of the deed of trust issued on the Stehman residence provides
3 that if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to
4 execute written notice of the occurrence of an event of default and of Lender’s election to
5 cause the Property to be sold, . . .” Paragraph 24 of the deed of trust provides that the
6 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
7 trust entitled “Transfer of Rights in the Property” contains a provision that provides that
8 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
9 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
10 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
11 right to any interest in the property or the proceeds of the loan.

12 ii. The original trustee under the Stehman deed of trust was Western Title and
13 the original Lender was Preferred Financial Group, Inc. dba Preferred Mortgage Services.
14 The Notice of Trustee’s Sale on the Stehman residence was issued by National Default
15 Servicing Corporation. National Default Servicing Corporation is not a proper party to
16 conduct a trustee’s sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or
17 the Trustee appointed by the Lender.

18 w. As to Plaintiffs Thurston:

19 i. Paragraph 22 of the deed of trust issued on the Thurston residence provides
20 that if the “Lender invokes the power of sale, Lender shall execute or cause Trustee to
21 execute written notice of the occurrence of an event of default and of Lender’s election to
22 cause the Property to be sold, . . .” Paragraph 24 of the deed of trust provides that the
23 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
24 trust entitled “Transfer of Rights in the Property” contains a provision that provides that
25 MERS has the right to foreclose and sell the property. Any appointment by MERS of a

1 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
2 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
3 right to any interest in the property or the proceeds of the loan.

4 ii. The original trustee under the Thurston deed of trust was First American
5 Title Co and the original Lender was Fremont Investment & Loan. The Notice of Trustee's
6 Sale on the Thurston residence was issued by National Default Servicing Corporation.
7 National Default Servicing Corporation is not a proper party to conduct a trustee's sale
8 under N.R.S. 107.080, as it is not the Lender, the beneficiary, or the Trustee appointed by
9 the Lender.

10 x. As to Plaintiffs Tovar:

11 i. Paragraph 22 of the deed of trust issued on the Tovar residence provides
12 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
13 execute written notice of the occurrence of an event of default and of Lender's election to
14 cause the Property to be sold, . . ." Paragraph 24 of the deed of trust provides that the
15 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
16 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
17 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
18 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
19 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
20 right to any interest in the property or the proceeds of the loan.

21 ii. The original trustee under the Tovar deed of trust was Western Title
22 Company and the original Lender was Wilson Resources, Inc. The Notice of Trustee's
23 Sale on the Tovar residence was issued by Recontrust Company, N.A. as Trustee.
24 Recontrust Company, N.A. is not a proper party to notice a default or to attempt to conduct
25

1 a trustee's sale under N.R.S. 107.080, as it is not the Lender, the beneficiary, or the Trustee
2 appointed by the Lender.

3 y. As to Plaintiffs Wilburn:

4 i. Paragraph 22 of the deed of trust issued on the Wilburn residence provides
5 that if the "Lender invokes the power of sale, Lender shall execute or cause Trustee to
6 execute written notice of the occurrence of an event of default and of Lender's election to
7 cause the Property to be sold," Paragraph 24 of the deed of trust provides that the
8 Lender may remove the Trustee and appoint a successor trustee. The section of the deed of
9 trust entitled "Transfer of Rights in the Property" contains a provision that provides that
10 MERS has the right to foreclose and sell the property. Any appointment by MERS of a
11 successor trustee or any assignment to a successor beneficiary was invalid, as MERS is not
12 a true beneficiary under the deed of trust because, as alleged herein, MERS disclaims any
13 right to any interest in the property or the proceeds of the loan.

14 ii. The original trustee under the Wilburn deed of trust was Recontrust
15 Company, N.A. and the original Lender was Countrywide Home Loans, Inc. Recontrust
16 Company, N.A. issued a Notice of Default on the Wilburn residence. The loan was
17 securitized and the beneficial interest in the deed of trust was transferred outside of the
18 MERS system at a time after the loan was originated in January 2007, which destroyed
19 Countrywide's standing as a Lender, MER's standing as a beneficiary, and Recontrust's
20 standing as a trustee. Accordingly, Recontrust Company, N.A. is not a proper party to
21 notice a default or attempt to conduct a trustee's sale under N.R.S. 107.080, as it is not the
22 Lender, the beneficiary, or the Trustee appointed by the Lender.

1 160. As set forth in detail above as to each plaintiff making a claim for wrongful
2 foreclosure, the party who noticed the sale was not the beneficiary (MERS). Rather, the party was
3 a stranger to the transaction with no beneficial interest in the deed of trust or the note.

4 161. As alleged herein, each deed of trust at issued named MERS as the beneficiary on
5 the deed of trust, but the MERS website instructs that MERS will hold no beneficial interest.

6 162. As alleged herein, each of the named plaintiffs' notes were transferred without the
7 deed of trust outside the MERS system. Such transfer rendered each Plaintiff's note unsecured
8 and the property unsecured and not subject to a nonjudicial foreclosure sale.

9 163. At or following an alleged default, the beneficial interest in the deed of trust (which
10 MERS disclaims) was transferred by MERS to a party who was not the holder of the note and had
11 no authority from the holder of the note to either declare the default or initiate the foreclosure, but
12 foreclosure occurred and, as to Plaintiffs Cheney, Goodwin and McArtor, as alleged herein, the
13 property was sold to a party who cannot qualify as a bona fide purchaser for value.

14 164. The obligations of each of the Plaintiffs named in this claim for relief on which
15 each of the Defendants named in this claim for relief have declared a default were discharged
16 when the investors in the mortgage backed securities claims were paid as a result of over-
17 collateralization of the obligations and/or credit default swaps and/or federal bailout funds and
18 other monies paid to the investors who owned the notes and obligations and/or to the named
19 Defendants or bank holding companies who disbursed the monies in such fashion as to extinguish
20 the obligations of Plaintiffs to repay the monies they borrowed which are at issue herein.

21 165. Neither the investors in the mortgage backed securities nor any other entity or
22 person who had a right to payment from the borrowers or was a beneficiary under the deeds of
23 trust ever declared a default of the notes executed by Plaintiffs.
24
25

1 166. The Defendants described in this claim for relief as being the parties issuing the
2 notices of default have no contract with the Plaintiffs, no investment in the mortgage backed
3 securities, and no right to declare a default on the note. Therefore, any statement that “the
4 beneficiary has declared a default and directed that the property be sold” is not true, and the
5 Defendants named in this claim for relief who have made that false representation knew or should
6 have known at the time each and every such notice was executed, mailed and recorded that those
7 allegations were false.
8

9 167. Foreclosure against the properties of the Plaintiffs cannot commence without a
10 written declaration of default and direction to the trustee to sell the property made by the persons
11 or entities to whom the obligation under the notes are owed.

12 168. As a direct and proximate result of the unlawful and wrongful commencement and
13 advancement of foreclosure proceedings by Defendants complained of herein, the Plaintiffs who
14 have been subjected to such actions by Defendants have suffered damages, including, without
15 limitation, economic damages, severe and disabling psychological and physical pain and suffering,
16 humiliation, embarrassment, damage to credit and other damages as alleged herein.
17

18 169. Plaintiffs have been required to retain counsel and expend costs to prosecute this
19 claim for relief.

20 **FOURTH CLAIM FOR RELIEF**
21 **(Slander of Title)**

22 **(As to Plaintiffs Cheney, Goodwin, McArtor and Tulip Against Defendants**
23 **Aztec Foreclosure Corporation, Old Republic Default Management Services, National**
24 **Default Servicing Corporation, HSBC, Bank of New York,**
25 **IB Property Holdings, and Deutsche Bank National Trust Company)**

26 170. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
27 forth in this claim.

1 171. Plaintiffs Cheney had an ownership interest in the title to their residence as
2 described herein.

3 172. On or about October 27, 2008, Seaside Trustee, Inc., with the knowledge of and/or
4 at the direction of Defendant IB Property Holdings, caused to be recorded a Trustee's Deed Upon
5 Sale related to the Cheney residence showing that the property had been conveyed to Defendant IB
6 Property Holdings, LLC.

7 173. As alleged herein, any purported transfer of any interest in the Cheney residence
8 was wrongful and invalid because the trustee's sale to IB Property Holdings, LLC was not
9 conducted in accordance with N.R.S. 107.080 and pursuant to Nevada common law, and IB
10 Property Holdings, L.L.C. knew or should have known that such transfer was wrongful and
11 invalid. Any publication of an ownership interest in the Cheney property claimed by IB Property
12 Holdings, LLC was therefore false.

13 174. The recording of the Trustee's Deed Upon Sale published the information to third
14 parties.
15

16 175. As a result of said wrongful publication of an ownership interest in the Cheney
17 property, Plaintiffs Cheney have incurred and will continue to incur attorneys' fees and costs
18 related to this litigation, in an amount to be proven at trial.

19 176. Plaintiff Goodwin had an ownership interest in the title to her residence as
20 described herein.
21

22 177. On or about May 18, 2009, Defendant Aztec Foreclosure Corporation, with the
23 knowledge of and/or at the direction of Defendant HSBC Bank, U.S.A., N.A., caused to be
24 recorded a Trustee's Deed Upon Sale related to the Goodwin residence showing that the property
25 had been conveyed to Defendant HSBC Bank, U.S.A., N.A.

1 178. As alleged herein, any purported transfer of any interest in the Goodwin residence
2 was wrongful and invalid because the trustee's sale to HSBC Bank, U.S.A., N.A. was not
3 conducted in accordance with N.R.S. 107.080 and pursuant to Nevada common law, and HSBC
4 Bank, U.S.A., N.A. knew or should have known that such transfer was wrongful and invalid. Any
5 publication of an ownership interest in the Goodwin property claimed by HSBC Bank, U.S.A.,
6 N.A. was therefore false.

7
8 179. The recording of the Trustee's Deed Upon Sale published the information to third
9 parties.

10 180. As a result of said wrongful publication of an ownership interest in the Goodwin
11 property, Plaintiff Goodwin has incurred and will continue to incur attorneys' fees and costs
12 related to this litigation, in an amount to be proven at trial.

13 181. Plaintiff McArtor had an ownership interest in the title to his residence as described
14 herein.

15 182. On or about March 31, 2009, Old Republic Default Management Services, a
16 Division of Old Republic National Title Insurance Company, with the knowledge of and/or at the
17 direction of Defendant Bank of New York, caused to be recorded a Trustee's Deed Upon Sale
18 related to the McArtor residence showing that the property had been conveyed to Defendant Bank
19 of New York.

20
21 183. As alleged herein, any purported transfer of any interest in the McArtor residence
22 was wrongful and invalid because the trustee's sale to Bank of New York was not conducted in
23 accordance with N.R.S. 107.080 and pursuant to Nevada common law, and Bank of New York
24 knew or should have known that such transfer was wrongful and invalid. Any publication of an
25 ownership interest in the McArtor property claimed by Bank of New York was therefore false.

1 184. The recording of the Trustee's Deed Upon Sale published the information to third
2 parties.

3 185. As a result of said wrongful publication of an ownership interest in the McArtor
4 property, Plaintiff McArtor has incurred and will continue to incur attorneys' fees and costs related
5 to this litigation, in an amount to be proven at trial.

6 186. Plaintiff Tulip had an ownership interest in the title to his residence as described
7 herein.

8 187. On or about December 24, 2008, Defendant National Default Servicing
9 Corporation, with the knowledge of and/or at the direction of Defendant Deutsche Bank National
10 Trust Company, caused to be recorded a Trustee's Deed Upon Sale related to the Tulip residence
11 showing that the property had been conveyed to Defendant Deutsche Bank National Trust
12 Company.

13 188. As alleged herein, any purported transfer of any interest in the Tulip residence was
14 wrongful and invalid because the trustee's sale to Deutsche Bank National Trust Company was not
15 conducted in accordance with N.R.S. 107.080 and pursuant to Nevada common law, and Deutsche
16 Bank National Trust Company knew or should have known that such transfer was wrongful and
17 invalid. Any publication of an ownership interest in the Tulip property claimed by Deutsche Bank
18 National Trust Company was therefore false.

19 189. The recording of the Trustee's Deed Upon Sale published the information to third
20 parties.

21 190. As a result of said wrongful publication of an ownership interest in the Tulip
22 property, Plaintiff Tulip has incurred and will continue to incur attorneys' fees and costs related to
23 this litigation, in an amount to be proven at trial. Additionally, Plaintiff Tulip vacated the subject
24
25

1 property as a result of Defendant Deutsche Bank's issuance of a three-day notice to quit and
 2 Deutsche Bank's sale of the subject property to a subsequent purchaser. As a result, Plaintiff Tulip
 3 has incurred moving expenses and expenses for replacement housing in an amount to be proven at
 4 trial.

5
 6 **FIFTH CLAIM FOR RELIEF**
(Wrongful Filing of Unlawful Detainer)

7 **(As to Plaintiff Gable Against Saxon Mortgage Services, Inc. Only)**

8
 9 191. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
 10 forth in this claim.

11 192. NRS 107.080(1) gives the trustee of a deed of trust securing the performance of an
 12 obligation or the payment of a debt relating to real property the power of sale of that real property
 13 upon a breach of the obligation. However, NRS 107.080(2) mandates that notice of the breach and
 14 election to sell the property to satisfy the obligation must be recorded in the recorder's office of
 15 the county wherein the trust property is situated, and the power of sale must not be exercised until
 16 at least three (3) months have passed since the notice was recorded.

17 193. NRS 107.080(3) further mandates that the notice of default and election to sell must
 18 be mailed via registered or certified mail, with return receipt requested and postage prepaid to the
 19 grantor of the deed of trust securing the obligation or debt relating to the real property.

20 194. NRS 107.080(4) provides that once the 3 month period after notice of breach and
 21 election to sell the trust property has lapsed, the trustee or other person authorized to sell the
 22 property must notify the trustor of the time and place at which the trustee's sale will be conducted.

23 195. No notice of default and election to sell Plaintiff Heather Gabel's property located
 24 at 1447 Kinglet Drive was ever recorded in the recorder's office of Washoe County, the county in
 25 which the property is situated.

196. No notice of default and election to sell the property located at 1447 Kinglet Drive was mailed to Plaintiff Heather Gabel via registered or certified mail.

197. Plaintiff Heather Gabel was never notified of the time and place at which a trustee's sale of the property located at 1447 Kinglet Drive would be conducted.

198. The property located at 1447 Kinglet Drive was never sold at trustee's sale.

199. Plaintiff Heather Gabel still holds title to the property 1447 Kinglet Drive.

200. Defendant Saxon Mortgage Services, Inc. wrongfully served Plaintiff Heather Gabel with a notice to quit the premises at 1447 Kinglet Drive and wrongfully filed an unlawful detainer action against her, as the basis for such actions were without any grounds in fact or law.

201. Plaintiff Heather Gabel has suffered from damage, loss and harm, including but not limited to, mental anguish and reasonable attorneys' fees and costs incurred in defending the abusive unlawful detainer action and in bringing this action.

202. Plaintiff Heather Gabel's said damage, loss, and harm were the proximate and legal result of the actions of Saxon Mortgage Services, Inc. as described herein.

SIXTH CLAIM FOR RELIEF
(Conspiracy To Commit Fraud Related To MERS System)

(As to Defendants MERSCORP, INC., MERS, INC., Freddie Mac, Fannie Mae, GMAC Mortgage, L.L.C., National City Mortgage, J.P. Morgan Chase Bank, N.A., CitiMortgage, Inc., Countrywide Home Loans, Inc., HSBC Mortgage Corporation, U.S.A., Wells Fargo Bank, N.A., GE Money Bank, Bank of America, N.A., AIG United Guaranty Corporation, PNC Financial Services Group, Inc., National City Corporation, National City Bank, Deutsche Bank, WMC Mortgage Corporation, Litton Loan Servicing, L.P., and Saxon Mortgage, Inc.)

203. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set forth in this claim.

204. Upon information and belief, Defendants MERSCORP, Inc., MERS, Inc., Freddie Mac, Fannie Mae, GMAC Mortgage, L.L.C., National City Mortgage, J.P. Morgan Chase Bank,

1 N.A., CitiMortgage, Inc., Countrywide Home Loans, Inc., HSBC Bank, U.S.A., Wells Fargo
 2 Bank, N.A., GE Money Bank, Bank of America, N.A., AIG United Guaranty Corporation, PNC
 3 Financial Services Group, Inc., National City Corporation, National City Bank, Deutsche Bank,
 4 WMC Mortgage Corporation, Litton Loan Servicing, L.P., and Saxon Mortgage, Inc. (hereinafter
 5 in this Sixth Claim for Relief collectively referred to for purposes of this Sixth Claim as the
 6 “Defendant conspirators”), and each of them, did knowingly and willfully conspire and agree
 7 among themselves to engage in a conspiracy to promote, encourage, facilitate and actively engage
 8 in fraudulent and predatory lending practices perpetrated on Plaintiffs as alleged herein by the
 9 actions of the Defendant conspirators as part of the business policies and practices of each
 10 Defendant conspirator in participating in the MERS system.

12 205. Upon information and belief, the Defendant conspirators are or have been
 13 shareholders in MERSCORP, Inc., MERS, Inc. and/or members of the MERS system, and, as to
 14 Defendant conspirators, Freddie Mac, Fannie Mae, GMAC Mortgage, L.L.C., National City
 15 Mortgage, and J.P. Morgan Chase Bank, N.A., have, through their employees and agents, served
 16 as members of the Board of Directors of MERSCORP, Inc. and/or MERS, Inc., and participated in
 17 the design and coordination of the MERS system described in this complaint

18
 19 206. Defendants’ participation as shareholders, directors, operators, or members of
 20 MERSCORP, Inc. and/or MERS, Inc. are as follows:

21 a. Defendants J.P. Morgan Chase Bank, CitiMortgage, Inc., Countrywide
 22 Home Loans, Inc., Fannie Mae, Freddie Mac, Merrill Lynch, AIG United Guaranty Corporation,
 23 and Wells Fargo Bank, N.A. are each Shareholders of MERSCORP, Inc.

1 b. MERSCORP, Inc. is the operating company that owns and operates the
2 MERS System described herein, and is the parent company of Mortgage Electronic Registration
3 Systems, Inc. ("MERS, Inc.").

4 c. Defendants Freddie Mac, MERSCORP, Inc., National City Mortgage,
5 Fannie MAE, and AIG United Guaranty Corporation are directors of MERS, Inc. and/or
6 MERSCORP, Inc.

7 d. Defendants Freddie Mac, Fannie Mae, GMAC Mortgage, L.L.C., National
8 City Mortgage, National City Bank, National City Corporation, PNC Financial Services Group,
9 J.P. Morgan Chase Bank, N.A., CitiMortgage, Inc., Countrywide Home Loans, Inc., HSBC
10 Mortgage Corporation, U.S.A., GE Money Bank, Bank of America, N.A., Wells Fargo Bank,
11 N.A., AIG United Guaranty Corporation, WMC Mortgage Corporation, Litton Loan Servicing,
12 L.P., and Saxon Mortgage Services, Inc. are Members of MERS, Inc.

13
14 207. Whenever this Complaint refers to any corporation's act, deed, or transaction, it
15 means that such corporation engaged in the act, deed, or transaction by or through its members,
16 officers, directors, agents, employees, or other representatives while they actively were engaged in
17 the management, direction, control, or transaction of its business or affairs.

18
19 208. Beginning at a time unknown to the Plaintiffs, prior to 2004, and continuing
20 through at least the present, the Defendant co-conspirators engaged in a conspiracy to unlawfully
21 deprive borrower-homeowners of property in numerous states through issuing predatory loans as
22 described herein, and through securitization and subsequent processes described herein.

23 209. MERS, Inc. and/or MERSCORP, Inc. arranged for bilateral and multilateral
24 meetings, bilateral and multilateral teleconferences, and bilateral internet communications with
25 potential Shareholders, actual Shareholders, candidates for Membership, and Members.

1 210. Upon information and belief, the Defendant conspirators have conspired among
2 themselves and with other unknown parties to:

3 a. develop a system of earning profits from the origination and securitization
4 of residential loans without regard for the rights of Plaintiffs, and others similarly situated, by
5 engaging in predatory and deceptive residential lending practices as alleged in this complaint
6 above; and

7 b. in furtherance of the system referred to immediately above, the Defendant
8 conspirators intentionally created, managed, operated and controlled the Defendants MERSCORP,
9 Inc. and MERS, Inc. for the specific purpose of MERS, Inc. being designated as a sham
10 “beneficiary” in the original deeds of trust securing those loans, including the loan made to
11 Plaintiffs and other similarly situated individuals by Countrywide Home Loans, Inc. and
12

13 c. Defendant conspirators intentionally created, managed, operated and
14 controlled the MERS system with the unlawful intent and for the unlawful purpose of making it
15 difficult or impossible for Plaintiffs and other victims of such industry-wide predatory policies and
16 practices to identify and hold responsible the persons and entities responsible for the unlawful
17 actions of Defendant Countrywide Home Loans, Inc., MERS, Inc., HSBC, GE Money Bank,
18 WMC Mortgage Corporation and their co-conspirators.
19

20 211. Upon information and belief, Defendant conspirators, through creation of the
21 MERS system alleged herein, adopted and implemented residential lending underwriting
22 guidelines for use in Nevada and in other states which:

23 a. were intended to, and did, generate unprecedented profits for the Defendant
24 conspirators and their co-conspirators at the expense of Plaintiffs and other persons who were
25 fraudulently induced by the Defendant conspirators and their co-conspirators into taking out

1 residential loans that were known by the Defendant conspirators and their co-conspirators, at the
2 time the loans were originated, and

3 b. were likely to result in foreclosure on those loans and loss by Plaintiffs and
4 other borrowers of their homes, with reckless disregard and intentional indifference by the
5 Defendant conspirators and their co-conspirators of the likelihood of such foreclosure.

6 212. Removing real estate transaction records from the public record maintained by the
7 county clerks prevents oversight of real estate transactions by the public and by public officials.

8 213. MERSCORP, Inc. informed its co-conspirators that using the MERS system would
9 remove transaction records from the public record.

10 214. MERSCORP, Inc. and/or MERS, Inc. have publicly stated the following:

11 a. “MERS eliminates the need to prepare and record assignments when trading
12 residential and commercial mortgage loans.”

13 b. “With the recording of the security instrument(s), MERS becomes the
14 mortgagee in the county land records and no assignments are required during a subsequent sale
15 and transfer of the loan between MERS members.”

16 c. “There is no dependency on the corporate name you use on closing
17 documents and the corresponding corporate name on the MERS System because the MERS
18 System is not the legal system of record of ownership of mortgage loans.”

19 215. Upon information and belief, the MERS system was created for the unlawful
20 purpose of hiding and insulating the brokers and originators of predatory toxic loans from
21 accountability and liability by creating an entity which simultaneously informed all lenders who
22 originated loans that named MERS as the beneficiary of the following:
23
24
25

1 a. MERS would never own or acquire any actual beneficial interest in any loan
2 in which it was named as beneficiary under the deed of trust, and that

3 b. MERS could be named as beneficiary for purposes of public notice and
4 notice to the borrower and would act in that capacity if so designated by the lender who originated
5 the loan.

6 216. Upon information and belief, the intent and purpose of the Defendant conspirators
7 and their co-conspirators in the creation, management, operation and control of MERS was,
8 without limitation, to make it impossible for the borrowers, their attorneys, the courts, the
9 government, and anyone other than the Defendant conspirators who created and controlled MERS
10 to identify the actual beneficial owner of any particular loan or the property which was the
11 collateral securing that loan until such time, if any, that foreclosure action was initiated. As a
12 result, Plaintiffs, and other similarly situated individuals, were deprived of the right to attempt to
13 modify their toxic loans, as the true identity of the actual beneficial owner was intentionally
14 hidden from Plaintiffs and other similarly situated individuals.

15 217. MERSCORP, Inc.'s marketing materials also promise Members with assistance
16 with foreclosures. MERSCORP, Inc. and/or MERS, Inc. have publicly stated: "MERS has
17 assembled a Foreclosure Manual to provide a state-by-state guideline for our Members to follow
18 when foreclosing a mortgage loan in the name of MERS."

19 218. Upon information and belief, the Defendant conspirators' actions in creating the
20 MERS system, which was dependent on fraudulent and deceptive practices that included, but were
21 not limited to, making loans to consumers such as Plaintiffs in violation of the Nevada Uniform
22 Lending Practices Act and the Fair Housing Act, and other federal laws related to residential
23
24
25

1 mortgage lending, created a system to unlawfully deprive Plaintiffs of their interest in their
2 Residences.

3 219. MERSCORP, Inc. and/or MERS, Inc. offered Members increased profit.

4 MERSCORP, Inc. has publicly stated:

5 a. “The MERS web site enables you to target directly your MERS® Ready
6 products and services to MERS members.”

7
8 b. “Commercial originators and issuers save *hundreds to thousands of dollars*
9 (in the case of cross-collateralized loans) in preparing and recording assignments. Where the
10 originator has not recorded a MERS as Original Mortgagee (MOM) security instrument, the issuer
11 saves the costs of assigning to the Trust by having the originator assign to MERS.” (Emphasis
12 added).

13 c. “It will reduce risk and generate more profits for lenders because the Notes
14 registered on it will be in electronic format. *It shortens the timeframe between the closing and*
15 *the securitization of the loan*, enabling the Note to move instantly, creating faster funding.”
16 (Emphasis added).

17 220. MERSCORP, Inc.’s rules and by-laws, to which MERS Members agree, require the
18 following:
19

20 **BY COMPLETING, SIGNING, AND SUBMITTING THIS APPLICATION,**
21 **THE APPLICANT IS AGREEING TO BE A MERS MEMBER. THE**
22 **APPLICANT HEREBY AGREES TO PAY ALL FEES AND EXPENSES**
23 **SET FORTH IN THE MERS RESIDENTIAL FEE SCHEDULE, WHICH**
24 **MAY CHANGE FROM TIME TO TIME; ABIDE BY ALL EXISTING**
25 **MERS RULES AND PROCEDURES, WHICH ARE INCORPORATED**
HEREIN BY REFERENCE AND MAY BE AMENDED FROM TIME TO
TIME; AND COMPLY WITH THE TERMS AND CONDITIONS SET
FORTH IN THE ATTACHED ADDENDUM ENTITLED TERMS AND
CONDITIONS.

1 (Emphasis in original).

2 221. The MERSCORP, Inc. rules and by-laws, to which MERS Members agree,
3 cannot be carried out lawfully because they require the following:

4 1. ***MERS, which shall include MERSCORP, Inc. and Mortgage Electronic***
5 ***Registration Systems, Inc.***, and the Member shall abide by these Terms and
6 Conditions, the Rules and Procedures (collectively, the “Governing Documents”),
7 copies of which will be supplied upon request. The Governing Documents shall
8 be a part of the terms and conditions of every transaction that the Member may
9 make or have with MERS or the MERS® System either directly or through a
10 third party. The Member shall be bound by any amendment to any of the
11 Governing Documents. 2. ***The Member, at its own expense, shall promptly, or***
12 ***as soon as practicable, cause MERS to appear in the appropriate public records***
13 ***as the mortgagee of record with respect to each mortgage loan*** that the Member
14 registers on the MERS® System. ***MERS shall serve as mortgagee of record with***
15 ***respect to all such mortgage loans solely as a nominee***, in an administrative
16 capacity, for the beneficial owner or owners thereof from time to time. ***MERS***
17 ***shall have no rights whatsoever*** to any payments made on account of such
18 mortgage loans, to any servicing rights related to such mortgage loans, or to any
19 mortgaged properties securing such mortgage loans. ***MERS agrees not to assert***
20 ***any rights*** (other than rights specified in the Governing Documents) with respect
21 to such mortgage loans or mortgaged properties. References herein to
22 “mortgage(s)” and “mortgagee of record” shall include deed(s) of trust and
23 beneficiary under a deed of trust and any other form of security instrument under
24 applicable state law. *** 6. MERS and the Member agree that: (i) ***the MERS®***
25 ***System is not a vehicle for creating or transferring beneficial interests in***
mortgage loans, (ii) transfers of servicing interests reflected on the MERS®
System are subject to the consent of the beneficial owner of the mortgage loans,
and (iii) membership in MERS or use of the MERS® System shall not modify or
supersede any agreement between or among the Members having interests in
mortgage loans registered on the MERS® System.”

20 (Emphasis added).

21 222. The times, dates, and locations of the various meetings and communications among
22 and between the conspirators are solely within the knowledge of the conspirators and have not
23 been made public by MERS or its co-conspirators.

24 223. In addition to the allegations made related to the shareholder, director, and creator
25 conspirators, the MERS system conspiracy consisted of:

1 a. The Lender conspirators who agreed to procure loans by means of violation
2 of state and Federal lending laws, as further described in the previous claims for relief.

3 b. The Lender, Securitizer and Servicer conspirators who agreed to use the
4 MERS system unlawfully and in violation of state and Federal laws to deceive homeowners and
5 securities purchasers by misleading them to believe that the conspirators had legal authority to
6 foreclose when in fact, the conspirators do not have legal authority to foreclose on loans which
7 were made part of the MERS system, as further described in the previous claims for relief.

8 c. The Securitizer conspirators who were aware of these violations of law
9 during procurement and agreed to purchase the loans knowing that the law had been violated.

10 d. The Securitizer conspirators who, upon information and belief, packaged
11 and sold loans knowing that such loans were based on deeds of trust that had been split from the
12 notes, and based on loans that had been sold as part of the securitization process before the loans
13 were finalized with the borrowers. Thereafter, the purported interest in the obligation, the note as
14 evidence of the obligation, and the security interest for the obligation were transferred multiple
15 times without recording the change in ownership of an interest in real property in the appropriate
16 county records. This was accomplished by the creation of the private parallel record keeping
17 service known as the MERS system, whereby MERS, Inc. is named in the deed of trust which is
18 supposed to be the security for the underlying loan obligation. MERS is named as the nominee of
19 the lender, but not as the holder of the note or the actual lender. Rather, MERS is named as
20 beneficiary for the purpose of deceiving the borrower and the clerk's office where the deed of
21 trust is recorded.

22 e. A securitization process that was based on loans that were made based on
23 residential loan underwriting guidelines that were designed to generate as many loans as possible
24
25

1 to fuel the securitization process to feed the demand for mortgage-backed securities, the faulty and
2 toxic nature of which loans was hidden by the MERS system. As a result of MERS being named
3 the beneficiary, and through the processes described herein, the note and deed of trust are "split."

4 When the note is split from the deed of trust, then the note becomes unsecured and a person
5 holding only the note lacks the power to foreclose and a person holding only a deed of trust suffers
6 no default because only the holder of the note is entitled to payment on it. The monetary effect of
7 utilizing the MERS system, in addition to the allegations set forth otherwise herein, was to hide
8 profits and fees that were not disclosed to the borrower or to the investor in the note, which, in
9 some cases, upon information and belief, were in excess of the principal value stated on the note.
10

11 f. The Securitizer conspirators who violated state and Federal securities laws
12 through their descriptions of the financial derivatives created by the conspiracy.

13 g. The Lender conspirators who agreed to supply loans to the Securitizers
14 despite knowledge that the Securitizers would sell them in violation of the law.

15 h. The Servicer conspirators who agreed to unlawfully foreclose on loans
16 despite the separation of the loan from the deed of trust which made the foreclosure unlawful
17 because the debt was no longer secured.

18
19 224. All of the conspirators agreed to the participation of the other conspirators in their
20 individual roles in the conspiracy. The loan files of each of the loans disclose the legal violations
21 and document that the Lenders agreed to purchase loans from third party originators and to sell
22 them to the Securitizers. The Securitizers agreed to purchase the loans and pool them with full
23 knowledge of the contents of the loan files. The Servicers agreed to foreclose with full knowledge
24 of the loan file for each loan.
25

1 225. All of the conspirators continued to agree to the conspiracy over the course of
2 thousands of transactions.

3 226. Defendants Fannie Mae, Freddie Mac, J.P. Morgan Chase Bank, N.A., GMAC
4 Mortgage, L.L.C., and National City Mortgage acted as Creators of the conspiracy. They created
5 MERS to hide their own unlawful activity as well as the activities of the co-conspirators.

6 227. Defendants Countrywide Home Loans, Inc., National City Corporation, National
7 City Bank, HSBC Mortgage Corporation, U.S.A., GMAC Mortgage, L.L.C., National City
8 Mortgage, CitiMortgage, Inc., WMC Mortgage Corporation, GE Money Bank, Wells Fargo Bank,
9 N.A., J.P. Morgan Chase, and Bank of America, N.A. acted as Lenders in the conspiracy.
10

11 228. Defendants J.P. Morgan Chase, Merrill Lynch, Wells Fargo Bank, N.A., Bank of
12 America, HSBC Mortgage Corporation, U.S.A., GMAC Mortgage, L.L.C., PNC Financial
13 Services Group, Inc., National City Corporation, National City Mortgage, National City Bank,
14 Countrywide Home Loans, Inc., CitiMortgage, Deutsche Bank, and GE Money Bank acted as
15 Securitizers in the conspiracy.

16 229. Defendants Countrywide Home Loans, Inc., Bank of America, Wells Fargo Bank,
17 N.A., GMAC Mortgage, L.L.C., CitiMortgage, Inc., National City Mortgage, HSBC Mortgage
18 Corporation, U.S.A., J.P. Morgan Chase, WMC Mortgage Corporation, Litton Loan Servicing,
19 L.P., and Saxon Mortgage Services, Inc. acted as Servicers in the conspiracy.
20

21 230. For the purpose of forming and effectuating this conspiracy, Defendants and co-
22 conspirators did the following things, among others:

23 a. The Defendants acting as Lenders described above systematically and
24 repeatedly violated Federal and state lending laws in order to originate mortgages, as described in
25 the previous claims for relief;

1 b. The Defendants acting as Securitizers knowingly and by agreement
2 purchased the unlawfully obtained mortgages from the Lenders;

3 c. The Defendants acting as Lenders, Securitizers and Servicers utilized and
4 benefited from the MERS system as a means of preventing detection by law enforcement or by the
5 public and as a means of unlawful foreclosure to the detriment of homeowners;

6 d. The Defendants acting as Lenders and Securitizers, with knowledge and
7 agreement of the co-conspirators, utilized the MERS system in such a manner as to split the
8 promissory note from the mortgage or deed of trust and thereby destroy the note holders' security,
9 nevertheless proceeding with unlawful foreclosure actions to the detriment of homeowners;
10

11 e. All Defendants named herein as co-conspirators profited from their
12 respective roles in originating loans, selling them, and pooling their MERS registered home loans
13 together in large bundles which were sold and turned into financial derivative instruments;

14 f. The mortgage securitization process became known in financial industry
15 parlance as "slicing and dicing." The slicing and dicing results in a pool of mortgages which have
16 lost their individual characteristics but which have a high value to those who create them;

17 g. The Defendants acting as Securitizers named herein purchased mortgages
18 from the Defendants acting as Lenders named herein for securitization;
19

20 h. The Defendants named as Securitizers herein sold the securitized and
21 pooled mortgages as asset backed financial derivatives with affirmative claims that Defendants
22 were unaware of any legal issues which would affect the value of the assets backing the securities,
23 which was untrue, as Defendants actually knew or should have known that the mortgages were
24 unlawfully obtained and subject to rescission, and knew or should have known that the mortgages
25

1 and promissory notes had been split and therefore the note holder no longer had the right to
2 foreclose, assuming that it ever did;

3 i. The Defendants described herein as Servicers unlawfully foreclosed on
4 homeowners' properties. The Servicers misrepresented that they had the legal right to foreclose,
5 when, in fact, they did not. The Servicers' foreclosures illegally deprived homeowners of
6 property;

7 j. All Defendants named as MERS members agreed to promote MERS, an
8 ostensibly lawful business, and to utilize MERS in an unlawful manner to deprive Plaintiffs and
9 those similarly situated of property.
10

11 231. The securitization process took distinct loans, deeds of trust, and mortgages, and
12 pooled them together in such a manner that they lost their unique identity. Hundreds of such
13 financial derivative instruments were created by the co-conspirator Defendants. The co-
14 conspirators all profited from their respective roles in the process, including, but not limited to, the
15 following pooling agreements:

16 a. Defendant and co-conspirator Wells Fargo Bank, N.A. is the master servicer
17 of the HSI Asset Loan Obligation Trust 2007-2. Approximately 18% of the mortgages in that loan
18 pool were originated by Defendant Countrywide Home Loans, Inc. Approximately 26% of the
19 mortgages in that pool originated from HSBC Mortgage Corporation (USA). HSBC Mortgage
20 Corporation (USA) profited from packaging its loans together with those of Defendant and co-
21 conspirator Countrywide Home Loans, Inc.
22

23 b. The HSI Asset Loan Obligation Trust 2006-2, was sponsored and sold by
24 HSBC Bank. Countrywide Home Loans, Inc. originated 13% of the loans in this instrument.
25

1 HSBC Mortgage Corporation (USA) originated 15% of the loans in this instrument. HSBC
2 Mortgage Corporation (USA) is one of the servicers of this financial derivative instrument.

3 c. The Banc of America Funding 2007-4 Trust was sponsored by Defendant
4 and co-conspirator Bank of America, N.A. The Master Servicer of this financial derivative
5 instrument is Defendant and co-conspirator Wells Fargo Bank, N.A. GMAC Mortgage, L.L.C. is
6 also among the servicers. The originators of the loans pooled in this instrument include
7 Defendants and co-conspirators GMAC Mortgage, L.L.C., Countrywide Home Loans, Inc., Wells
8 Fargo Bank, N.A., Bank of America, N.A., National City Mortgage Co.

9
10 d. The Banc of America Funding 2007-4 Trust was sponsored by Defendant
11 and co-conspirator Bank of America, N.A. The Master Servicer of this financial derivative
12 instrument is Defendant and co-conspirator Wells Fargo Bank, N.A. GMAC Mortgage, L.L.C. is
13 also among the servicers. The originators of the loans pooled in this instrument include
14 Defendants and co-conspirators GMAC Mortgage, L.L.C., Countrywide Home Loans, Inc., Wells
15 Fargo Bank, N.A., Bank of America, N.A., National City Mortgage Co. The Banc of America
16 Funding 2007-7 Trust hired Defendants and co-conspirators Bank of America, N.A.,
17 CitiMortgage, Inc., GMAC Mortgage, LLC, and National City Mortgage Co. as servicers.

18
19 e. National City Mortgage Corporation is an originator and servicer of loans in
20 the GSAA Home Equity Trust Series 2007-8. Wells Fargo Bank, N.A. is also a servicer. In the
21 prospectus, National City Mortgage is described as a division of National City Bank.

22 f. In the Structured Adjustable Rate Mortgage Loan Trust Mortgage Pass-
23 Through Certificates, Series 2007-6, Defendant GE Money Bank was one of the major
24 underwriters of the loans which were pooled. U.S. Bank, N.A. was also an originator of loans in
25

1 the pool. U.S. Bank, N.A. is also a servicer. Wells Fargo Bank, N.A. was hired as one of the
2 custodians of the trust.

3 g. Defendant and co-conspirator Wells Fargo Bank, N.A. is the master servicer
4 of the HSI Asset Loan Obligation Trust 2007-2. 18% of the mortgages in that loan pool were
5 originated by Defendant Countrywide Home Loans, Inc. 26% of the mortgages in that pool
6 originated from HSBC Mortgage Corporation (USA). HSBC Mortgage Corporation (USA)
7 profited from packaging its loans together with those of Defendant and co-conspirator
8 Countrywide Home Loans, Inc.
9

10 h. In the J.P. Morgan Alternative Loan Trust 2007-A2, J.P. Morgan Chase
11 Bank was an originator of loans which were pooled. JPMorgan Chase Bank, National
12 Association is one of the servicers of the mortgage pool. Wells Fargo Bank, N.A. is the master
13 servicer. U.S. Bank National Association is the trustee. Countrywide Home Loans, Inc. sold
14 loans to the trust. JPMorgan Chase Bank is one of the servicers.

15 232. Upon information and belief, Plaintiffs' loans were securitized, "sliced and diced"
16 and pooled into mortgage pools such as the ones described herein as part of the conspiracy related
17 to the creation and operation of the MERS system, and Defendants, and each of them, profited
18 from same and are liable for their acts and the acts of their co-conspirators in creating the MERS
19 system, including, but not limited to, the use of MERS-approved and created documents to
20 establish the loans (including, but not limited to, the form of deed of trust), and in participating in
21 the securitization process described herein.
22

23 233. Upon information and belief, Defendant conspirators utilized funds received as part
24 of the Troubled Asset Relief Program payouts to further the conspiracy to defraud Plaintiffs, and
25 others similarly situated, to deprive them of their money, to deprive them of their property, to

1 unlawfully foreclose on loans made to putative class members, to pay investors in the mortgage-
 2 backed securities which were comprised of the loans made to Plaintiffs and others similarly
 3 situated, and to pay bonuses to employees and officers of the Defendant conspirators based on
 4 their devising the subprime mortgage-backed products which were securitized by loans of the type
 5 issued to Plaintiffs and others similarly situated, and collateralizing and selling such products in
 6 the United States and abroad.

7
 8 234. As a result of Defendant conspirators' conspiracy described herein, Plaintiffs have
 9 suffered injuries which include mental anguish, emotional distress, embarrassment, humiliation,
 10 loss of reputation and a decreased credit rating which has, or will, impair Plaintiffs' ability to
 11 obtain credit at a more favorable rate than before the decrease in credit rating, the loss or
 12 anticipated loss of their Residences and other financial losses according to proof, and Plaintiffs
 13 have incurred attorneys' fees and costs in this matter.

14 235. Defendant conspirators' actions were wanton, willful and reckless, and justify an
 15 award of punitive damages against Defendant conspirators, and each of them.

16 **SEVENTH CLAIM FOR RELIEF**

17 **(Conspiracy to Commit Wrongful Foreclosure Related to the MERS System)**

18
 19 **(As to all Plaintiffs Against Defendants MERSCORP, Inc., MERS, Inc., Freddie Mac, Fannie**
 20 **Mae, GMAC Mortgage, L.L.C., National City Mortgage, J.P. Morgan Chase Bank, N.A.,**
 21 **CitiMortgage, Inc., Countrywide Home Loans, Inc., HSBC Bank, U.S.A., Wells Fargo Bank,**
 22 **N.A., GE Money Bank, Bank of America, N.A., PNC Financial Services Group, Inc.,**
 23 **National City Corporation, National City Bank, T.D. Service Company, Deutsche Bank**
 24 **National Trust Company, Ocwen Loan Servicing, LLC, Litton Loan Servicing, United**
 25 **Guaranty Corporation and WMC Mortgage Corp.)**

23 236. Plaintiffs incorporate by this reference each and every paragraph of this Complaint
 24 as if set forth fully herein.

1 237. Upon information and belief, Defendants MERSCORP, Inc., MERS, Inc., Freddie
2 Mac, Fannie Mae, GMAC Mortgage, L.L.C., J.P. Morgan Chase Bank, N.A., CitiMortgage, Inc.,
3 Countrywide Home Loans, Inc., HSBC Bank, U.S.A., Wells Fargo Bank, N.A., GE Money Bank,
4 Bank of America, N.A., United Guaranty Corporation, PNC Financial Services Group, Inc.,
5 National City Corporation, National City Bank, T.D. Service Company, Deutsche Bank National
6 Trust Company, Ocwen Loan Servicing, LLC, Litton Loan Servicing, and WMC Mortgage Corp.
7 (hereinafter in this Seventh Claim for Relief collectively referred to for purposes of this Seventh
8 Claim as the “Defendant conspirators”), and each of them, on a date known to Defendants, and
9 estimated by Plaintiffs to have occurred by or before October 18, 2004 and continuing through the
10 present, did knowingly and willfully conspire and agree among themselves to engage in a
11 conspiracy to promote, encourage, facilitate and actively engage in wrongful foreclosures
12 perpetrated on Plaintiffs as alleged herein and the actions of the Defendant conspirators were
13 taken as part of the business policies and practices of each Defendant conspirator in participating
14 in the MERS system.
15

16 238. The MERS system was known by Defendant co-conspirators as being used by the
17 Defendant co-conspirators named herein to facilitate the wrongful foreclosures complained of
18 herein.
19

20 239. Specifically, the MERS system was designed to remove the need for recordation of
21 transfers of deeds of trust as alleged herein. This component of the design of the MERS System
22 facilitated the wrongful foreclosures complained of herein by making it easier to transfer the
23 purported beneficial interest in a deed of trust and to appoint a trustee for the purpose of
24 foreclosing on a property, despite the fact that the deed of trust no longer provided security for a
25 note as a result of the note having been separated from the deed of trust as alleged herein.

1 240. The MERS system does not track the transfer of the note.

2 241. The MERS system does not track the identity of the holder of the note.

3 242. Upon information and belief, the Defendant conspirators are or have been creators
4 and/or directors of MERSCORP, Inc., MERS, Inc. and/or members of the MERS system, and, as
5 to Defendant conspirators, Freddie Mac, Fannie Mae, GMAC Mortgage, L.L.C., National City
6 Mortgage, and J.P. Morgan Chase Bank, N.A., have, through their employees and agents, served
7 as members of the Board of Directors of MERSCORP, Inc. and/or MERS, Inc., and participated in
8 the design and coordination of the MERS system described in this complaint.
9

10 243. Defendants' participation as shareholders, directors, operators, or members of
11 MERSCORP, Inc. and/or MERS, Inc. are as follows:

12 a. Defendants J.P. Morgan Chase Bank, CitiMortgage, Inc., Countrywide
13 Home Loans, Inc., Fannie Mae, Freddie Mac, United Guaranty Corporation, and Wells Fargo
14 Bank, N.A. are each Shareholders of MERSCORP, Inc.

15 b. MERSCORP, Inc. is the operating company that owns and operates the
16 MERS System described herein, and is the parent company of Mortgage Electronic Registration
17 Systems, Inc. ("MERS, Inc.").
18

19 c. Defendants Freddie Mac, MERSCORP, Inc., National City Mortgage,
20 Fannie MAE, and United Guaranty Corporation are directors of MERS, Inc. and/or MERSCORP,
21 Inc.

22 d. Defendants Freddie Mac, Fannie Mae, GMAC Mortgage, L.L.C., National
23 City Mortgage, National City Bank, National City Corporation, PNC Financial Services Group,
24 J.P. Morgan Chase Bank, N.A., CitiMortgage, Inc., Countrywide Home Loans, Inc., HSBC Bank,
25 U.S.A., GE Money Bank, Bank of America, N.A., Wells Fargo Bank, N.A., United Guaranty

1 Corporation, T.D. Service Company, Deutsche Bank National Trust Company, Ocwen Loan
2 Servicing, LLC, Litton Loan Servicing, and WMC Mortgage Corp. are Members of MERS, Inc.

3 244. Whenever this Complaint refers to any corporation's act, deed, or transaction, it
4 means that such corporation engaged in the act, deed, or transaction by or through its members,
5 officers, directors, agents, employees, or other representatives while they actively were engaged in
6 the creation, management, direction, control, or transaction of its business or affairs.

7
8 **EIGHTH CLAIM FOR RELIEF**
(Injunctive Relief)

9 245. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
10 forth in this claim.

11 246. All Plaintiffs, and others similarly situated, except Plaintiffs Tierney and Tulip, are
12 faced with foreclosure on their homes and/or eviction from their homes as allege herein.

13 247. Plaintiffs, and others similarly situated, have no adequate remedy at law to stop
14 these unlawful foreclosures and evictions.

15 248. The Plaintiffs, and others similarly situated, will suffer irreparable harm from the
16 loss of their homes and the Defendants will suffer nothing because no payments are owed to them
17 on account of the notes and mortgages and any foreclosure pursued by them will be and is and has
18 been unlawful.

19
20 **NINTH CLAIM FOR RELIEF**
21 **(Declaratory Relief)**

22 249. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
23 forth in this claim.

24 250. As alleged in Plaintiffs' claims regarding the Defendants' violations of state laws
25 related to the loans at issue, the Defendants have violated Plaintiffs' rights under state law.

1 251. The Defendants have proceeded with foreclosures against the Plaintiffs or
2 threatened foreclosures against the Plaintiffs for which the Defendants are not owed any payments,
3 have no lawful right to foreclose and have unlawfully deprived or attempted to deprive the
4 Plaintiffs of their homes.

5 252. Plaintiffs seek a declaratory judgment against Defendants stating that Defendants
6 have violated Plaintiffs' rights under state laws as alleged above.

7 253. Plaintiffs also seek a declaratory judgment finding that their loans were transferred
8 out of the MERS system, and requiring the de-listing of their loans from the MERS system as
9 required by the rules governing the MERS system.

10 254. Plaintiffs have been required to retain counsel in this matter to protect Plaintiffs'
11 rights and has incurred attorneys' fees and costs in this matter.

12
13 **CLASS ACTION ALLEGATIONS AND**
14 **REQUEST FOR CLASS CERTIFICATION**

15 255. Plaintiffs incorporate each and every paragraph of this Complaint as if fully set
16 forth in this claim.

17 Class Definition

18 256. Plaintiffs, pursuant to Fed. R. Civ. P. 23(a), (b)(2-3), bring this action for
19 themselves and on behalf of a class of persons similarly situated under the provisions of Federal
20 and State law regarding plaintiff class actions.

21
22 257. The class is composed of the named Plaintiffs and all others in Nevada and the
23 United States whose residential real estate loans were originated, funded, serviced, securitized,
24 sold, transferred, insured, or guaranteed by the Defendants between 2004 and 2008, and who were
25 damaged or who are faced with risk of damage by the origination, servicing, sale, transfer,

1 foreclosure, and/or acquisition of such loans. Excluded from the class are the Defendants,
2 including any parent, subsidiary, affiliate or controlled person of the Defendants and their officers,
3 directors, agents or employees, any judge or judicial officer assigned to this matter, and members
4 of the immediate families of any excluded persons.

5 Numerosity

6 258. Upon information and belief, Plaintiffs estimate that the class comprises not less
7 than 125 individual members and the class is so numerous that joinder of all members is
8 impracticable. The members of the class can be identified and located using information contained
9 in the Defendants' mortgage lending records.
10

11 Common Questions of Law and/or Fact

12 259. There are common questions of law and/or fact common to the class, including
13 whether the Defendants violated the Federal Fair Housing Act and the Nevada Uniform Lending
14 Practices Act as alleged herein, whether any such violations constituted a conspiracy to commit
15 fraud or conversion, unjust enrichment, and/or whether Defendant's conduct constitutes intentional
16 infliction of emotional distress on the class members. Also common to the class is the issue of
17 whether the named Defendants acted as conspirators in committing fraud in creating the MERS
18 system as alleged in the Conspiracy to Commit Fraud Related to the MERS System Claim for
19 Relief and whether the Defendants acted as conspirators in the use of the MERS system to commit
20 wrongful foreclosure.
21

22 Typicality

23 260. Plaintiffs' claims are typical of those of the members of the class. Plaintiffs and the
24 class members were subjected to the same kind of unlawful conduct and the claims of Plaintiffs
25 and the class members are based on the same legal theories.

Fair and Adequate Representation of Class

261. Plaintiffs will fairly and adequately protect the interests of the class Plaintiffs represent. Plaintiffs' interests do not conflict with the interests of the class, and Plaintiffs intend on prosecuting this action vigorously.

262. Plaintiffs have retained experienced counsel qualified in class litigation and counsel and is competent to assert the interests of the class.

Rule 23(b) Requirements

263. The unlawful acts of Defendants, as alleged herein, constitute a course of conduct common to Plaintiffs and each class member. Prosecution of separate actions by individual class members would create a risk of inconsistent or varying adjudications which would establish incompatible standards of conduct for Defendants and/or substantially impair or impede the ability of the individual class members to protect their interests.

264. Injunctive and/or declaratory relief to the class is appropriate because, upon information and belief, Defendants, and each of them, have acted or refused to act on grounds generally applicable to the class.

265. Questions of law and/or fact common to the class members, including the issues identified above, predominate over questions affecting only individual class members, and a class action is superior to other available methods for fair and efficient adjudication of the controversy. Class action treatment will allow a large number of similarly situated individuals to simultaneously pursue their common claims in a single forum in an efficient manner, without unnecessary duplication of effort and expense that would be required if numerous individual actions were pursued.

1 WHEREFORE, Plaintiffs pray this court enter an order providing relief as follows:

2 1. For an award of damages against Defendants, and each of them, on the Plaintiffs'
3 state law claims, whether general, special or punitive as alleged above, in an amount to be shown
4 at trial;

5 2. For an award of attorneys' fees and costs as provided by law;

6 3. For an order of rescission on behalf of named Plaintiffs;

7 4. For an order of restitution on behalf of Plaintiff and class members;

8 5. For a temporary restraining order and preliminary and permanent injunction
9 prohibiting any foreclosure action or eviction action as to any of the Plaintiffs' residences and/or
10 proceeding with any collection action against the Plaintiffs, and from transferring any interest
11 and/or proceeding with foreclosure actions against the residences of similarly situated class
12 members;

13 6. For a declaratory judgment holding that Plaintiffs' rights were violated as alleged
14 above and de-listing the Plaintiffs' loans from the MERS system;

15 7. That Plaintiffs have and recover from the Defendants pre-judgment interest as may
16 be determined by statute and rule;

17 8. That this action be certified as a Plaintiffs' class action;

18 9. Pursuant to Federal Rules of Civil Procedure, Rule 38, Plaintiffs demand a trial by
19 jury on all issues of fact in this action; and

20 10. That this Court grant such other and further relief as it deems just and proper.

21 DATED: January 29, 2010

HAGER & HEARNE

22 /s/ Robert R. Hager, Esq.

23 Robert R. Hager, Esq.

24 Treva J. Hearne, Esq.

25 Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Pursuant to Fed. R. Civ. P. 38(b), Plaintiffs hereby demand a trial by jury to the fullest extent permitted by law.

DATED: January 29, 2010

HAGER & HEARNE

/s/ Robert R. Hager, Esq.

Robert R. Hager

Treva J. Hearne

Attorneys for Plaintiffs